ANHEUSER-BUSCH COMPANIES, INC.

ANNUAL REPORT 2000

DELIVERING
Shareholder Value


r beer. We know of no brand produced
ew and age. Our exclusive Beechwoo
a drinkability you will find in no othe
AUSTRALIA
EUROPE
AB
AFRICA
ASIA
AMERICA

ANHEUSER BUSCH Companies

About the cover: The Budweiser Clydesdales pull up in front of the New York Stock Exchange (NYSE) during Anheuser-Busch Day at the NYSE on May 4, 2000. The event commemorated the 20th anniversary of the company's listing on the NYSE.

CONTENTS

2000 FINANCIAL HIGHLIGHTS

Anheuser-Busch Companies and Subsidiaries

YEAR ENDED DECEMBER 31 (in millions, except where noted)	2000	1999	% Change
Barrels of beer sold:			
Domestic	**98.3**	95.7	**2.7**
International	**7.3**	7.2	**1.3**
Worldwide A-B brands	**105.6**	102.9	**2.6**
International equity partner brands	**15.7**	15.1	**3.9** (1)
Total brands	**121.3**	118.0	**2.8** (1)
Gross sales	**$14,296.6**	$13,723.3	**4.2**
Excise taxes	**2,034.8**	2,019.6	**0.7**
Net sales	**12,261.8**	11,703.7	**4.8**
Gross profit	**4,669.5**	4,449.3	**5.0**
As a percentage of net sales	**38.1%**	38.0%	**0.1% pts.**
Operating income	**2,494.7**	2,302.3	**8.4**
As a percentage of net sales	**20.3%**	19.7%	**0.6% pts.**
Equity income, net of tax	**200.0**	157.5	**27.0**
Net income	**1,551.6**	1,402.2	**10.7**
Diluted earnings per share	**1.69**	1.47	**15.0**
Operating cash flow before change in working capital	**2,230.0**	2,141.6	**4.1**
Earnings before interest, income taxes, depreciation and amortization (EBITDA) (2)	**3,621.0**	3,328.2	**8.8**
Return on shareholders equity	**38.5%**	34.5%	**4.0% pts.**
Return on capital employed	**15.6%**	14.6%	**1.0% pts.**
Total assets	**$13,084.5**	$12,640.4	**3.5**
Debt	**5,374.5**	5,122.9	**4.9**
Capital expenditures	**1,074.5**	865.3	**24.2**
Depreciation and amortization	**803.5**	777.0	**3.4**
Common dividends paid	**$ 571.0**	$ 544.7	**4.8**
Per share	**.63**	.58	**8.6**
Total taxes	**3,086.0**	3,004.6	**2.7**
Diluted weighted average shares outstanding	**919.7**	953.7	**(3.6)**
Number of full-time employees	**23,725**	23,645	**0.3**
Number of registered common shareholders	**58,614**	60,100	**(2.5)**
Closing stock price	**$ 45.50**	$ 35.44	**28.4**

(1) Normalized to exclude 1999 volume related to Anheuser-Busch's previously held equity stake in Antarctica, international equity partner brands volume increased 6.2%, and total brands volume increased 3.1%.

(2) The EBITDA calculation includes Modelo equity income on a pretax basis.

Note: All share and per share amounts reflect the two-for-one stock split distributed September 18, 2000.

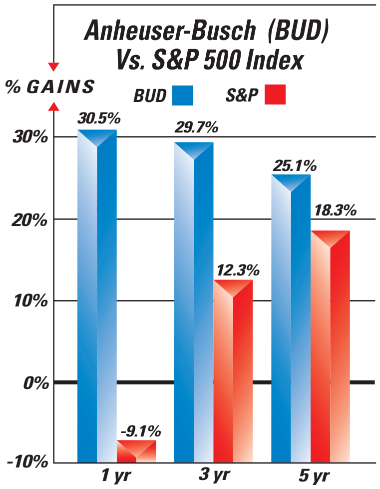
August A. Busch III outside the New York Stock Exchange during Anheuser-Busch Day at the NYSE.

Last May, Anheuser-Busch marked a significant milestone when it celebrated its 20th anniversary on the New York Stock Exchange (NYSE). To commemorate the occasion, the interior and exterior of the Exchange were decorated with Anheuser-Busch banners and flags. Traders on the floor sported Budweiser hats. The Clydesdales marched up Wall Street. And I rang the closing bell.

Given the tremendous growth your company has experienced since its listing on the NYSE 20 years ago, there was certainly much to celebrate. Consider that if an investor purchased $1,000 worth of Anheuser-Busch stock the day it was first listed on the Exchange and had reinvested all dividends, that initial investment would have been valued at $69,000 at the end of last year. That equates to a total return in excess of 20% per year over the past 20 years.

That's delivering shareholder value.

And that's what this year's report is all about.



Anheuser-Busch stock (including dividends) has outperformed the return on the S&P 500 over the past one-, three- and five-year periods.

As all of you know, early last year tech stocks soared at the expense of solid consumer products companies such as Anheuser-Busch. But our stock's rapid recovery clearly demonstrated that investors ultimately recognize and reward companies that consistently deliver strong sales and earnings growth. In 2000, your company increased earnings per share by 15%, expanded profit margins and increased return on capital employed by 100 basis points. For the year, total return on our stock was 30.5% as investors returned to companies that deliver consistent earnings growth. During this same period, the S&P 500 declined 9.1% and the NASDAQ fell 39%.

In addition, the total return on Anheuser-Busch stock (including dividends) has outperformed the return on the S&P 500 over the past one-, three- and five-year periods, as indicated by the chart on this page. Further, the return on your company's stock over the past five years substantially exceeded the average return for our food and beverage peer companies.

This achievement has been recognized in the financial media. In December 2000, Fortune magazine ranked your company 59 on its list of "America's Greatest Wealth Creators." This ranking was based on the difference between the capital that has been put into a business and the company's market value as of Nov. 10, 2000.

As a result of our continuing strong performance and confidence in your company's long-term outlook, the Board of Directors approved a two-for-one stock split and a 10% increase in the quarterly dividend in July.

As we move into the new century, we remain clearly focused on delivering shareholder value. Let's take a look at how we're achieving this throughout your company.

DELIVERING DOMESTIC BEER PROFITABILITY

In 2000, the domestic beer company turned in another excellent performance. In addition, the fundamentals with respect to volume growth, productivity and pricing that have fueled your company's attractive earnings growth are expected to remain favorable for the foreseeable future.

For example, improving demographics are driving industry volume growth, a trend that will continue throughout the coming decade. The beer industry is also experiencing its highest capacity utilization in years, which supports the sustainability of the current favorable pricing environment.

In 2000, our domestic volume increased 2.7%, vs. nearly 1% for the industry overall, bringing our total volume to 98.3 million barrels. Volume growth was led by Bud Light — the biggest growth story in the industry's

largest growth category. Bud Light achieved its ninth consecutive year of double-digit volume growth and continues to expand its already substantial lead in the high-margin premium light segment. Together, Budweiser and Bud Light represent two-thirds of our volume and are the two largest beer brands in the United States — and in the world.

In fact, Anheuser-Busch has the leading brands in every demographic segment and domestic price segment, giving us a commanding leadership position with a 48.4% market share.

In addition to the uncompromising quality of its products, Anheuser-Busch's success can also be attributed to creative advertising and media that deliver unique and compelling messages to consumers. Because of its size advantage, your company can achieve the highest share of voice while maintaining a lower media cost per barrel than its major competitors. That scale advantage, along with award-winning advertising creative and the industry's strongest and most exclusive wholesaler system, give your company distinct competitive advantages in the marketplace.

Thanks to these attributes, in 2000 we steadily gained market share and increased domestic pricing. It's important to note that we continually seek a balance between volume growth and pricing objectives. In other words, our focus is on improving beer margins and profit growth, not just achieving volume gains. To do this, our price increases average slightly less than overall annual increases in the consumer price index, which keeps our products affordable and thereby enhances acceptance of our pricing strategy.

Together, Budweiser and Bud Light represent two-thirds of our volume and are the two largest beer brands in the United States — and in the world.

In 2000, this pricing strategy was very successful, with net revenue per barrel increasing 2.5%. A similar pricing plan has been put in place for 2001, and initial results are encouraging.

Bottom line, domestic beer operations are stronger than ever, and we are well-positioned to continue delivering superior results in the years ahead.

DELIVERING THE WORLD'S BEER MARKET

Our two-pronged international strategy remains firmly in place:

- Form equity partnerships with leading brewers in high-growth markets.
- Build Budweiser into a leading international beer brand.

On the equity front, led by our ownership interest in Modelo, international beer has contributed more than 20% of Anheuser-Busch's earnings per share growth in each of the past four years and is expected to continue to be a major contributor to profit growth in the years ahead. In 2000, equity income from our 50% interest in Modelo — Mexico's largest brewer and the maker of Corona, the leading import in the United States — was $200 million after tax, up $42 million or 27%.

Modelo's operating results were excellent. The company's leading share of the U.S. import market is

more than 30%. Modelo is also well-positioned for continued success in the growing Mexican beer market, where it holds more than a 55% share.

In January 2001 we established an equity partnership with Compañía Cervecerías Unidas S.A. (CCU), a Chilean-based diversified beverage company. CCU is the leading brewer in Chile, with a 90% share of that country's market. Anheuser-Busch and CCU have been partners for five years in Argentina, where we now own more than 25% of the company's Argentine beer subsidiary and where CCU locally brews and sells Budweiser. Our purchase of 17% ownership in CCU in early 2001 further expands Anheuser-Busch's presence in the fast-growing South American beer and beverage market.

After incurring a loss in 1999 primarily due to restructuring in Japan, Budweiser brand-building continues in 80 countries around the world, including eight of the world's 10 most-profitable beer markets. Our international Budweiser operations returned to profitability in 2000, and we expect continued positive results in 2001.

DELIVERING PACKAGING SUPPORT

Anheuser-Busch's Packaging Group continues to support the beer company's ability to manage the cost and quality of packaging materials, which comprise a significant portion of cost of goods sold. In 2000, Metal Container Corporation produced 61% of cans and 80% of lids required by the domestic beer company.

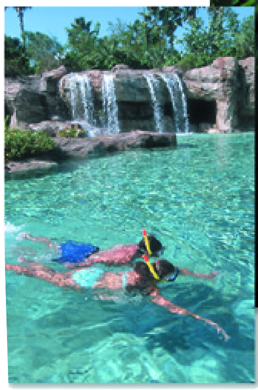
Eagle Packaging, a new subsidiary that makes liner materials for crowns and closures, began production in 2000. Work also continues on the renovation of a former Anchor glass plant in Houston, which will begin operating in 2001. This plant will supply more than 60% of the glass needs at our Houston brewery.

A new subsidiary, Eagle Packaging, produces 100% of the beer company's crown and closure liner materials.

Profit from this group was down significantly in 2000 due to can pricing, but the outlook is expected to improve in 2001.

DELIVERING ADVENTURE

Our Busch Entertainment parks, which complement our beer business by offering a positive setting in which to showcase Anheuser-Busch products and promote our corporate image and responsible consumption messages, hosted nearly 21 million visitors in 2000. Profits — excluding startup costs associated with our new Discovery Cove park — were up more than 5% in 2000.



Discovery Cove, which opened midyear in Orlando, is an exclusive tropical oasis unlike any other attraction in the entertainment industry. It features up-close, one-on-one encounters with marine animals, with the number of guests limited in order to create an uncrowded, unhurried atmosphere.

In February 2001, we sold SeaWorld Cleveland to Six Flags, Inc. for $110 million. This was our smallest and least-profitable SeaWorld park. The sale excludes use of the SeaWorld brand and the park's killer whales and dolphins, which are being relocated to other SeaWorld parks. The vast majority of the workforce will continue to be employed at the park.

Selling SeaWorld Cleveland and opening Discovery Cove were consistent with our objectives of increasing cash flow and return on invested capital for our entertainment business.

In 2001 we will add a new "country" to Busch Gardens Williamsburg — Ireland. This new attraction will feature a world-class professional step-dancing show, a 3-D action adventure experience, and Irish-themed shops and restaurants.

In addition, Busch Gardens Tampa Bay will premiere "Rhino Rally," an adventure that combines up-close animal experiences with the excitement of a thrill ride.

With a full year of operation ahead for Discovery Cove, as well as new attractions opening in our other parks, Busch Entertainment is poised for strong profit growth in 2001.

▲ *The Discovery Cove logo, designed by Busch Creative Services, shows a person and a dolphin swimming in harmony and symbolizes the unique experiences offered by Discovery Cove.*

DELIVERING RESPONSIBILITY

Anheuser-Busch remains committed to being a responsible corporate citizen, continuing a legacy of responsibility that began with the company's founding nearly 150 years ago.

For example, the company's alcohol awareness initiatives are well-known. Anheuser-Busch and its wholesaler family have invested nearly $350 million in efforts designed to eliminate underage drinking and drunk driving and to promote the moderate consumption of alcohol by adults of legal drinking age. Our "We All Make a Difference" campaign, which was launched in 1999, continues to salute Americans for their efforts to reduce drunk driving and underage drinking — and for the positive results they have achieved.

We also continue to preserve and protect the environment — a commitment that is more than a century old. Since 1993 alone, the company has won more than 100 environmental awards in the areas of waste reduction, conservation, education, recycling and animal protection.

We also work hard to support the communities where we do business. Anheuser-Busch and its charitable foundation have donated more than $300 million in the past decade to thousands of charitable organizations, including those that support education, health care, the arts, cultural enrichment and social services. For more information on these efforts, I encourage you to check page 60 of this report for details on how to order our "Making Friends … Making a Difference" brochure.

DELIVERING SHAREHOLDER VALUE

As you will see when you review this year's report, delivering superior returns to our shareholders — creating shareholder value — is an overriding priority for your company. It is a key part of our mission statement, and our employees— most of whom are shareholders — are keenly aware of it. As a result, they deliver day in and day out, year after year. Their efforts and commitment ensure that Anheuser-Busch's legacy of quality and financial success continues.

Delivering superior returns to our shareholders — creating shareholder value — is an overriding priority for your company.

As we enter the year 2001, we do so from a position of strength:

• We have achieved a commanding leadership position in the domestic beer industry.

• We have a strong balance sheet and substantial cash flow.

• We have a consistent track record of solid operating and financial results.

• And we are confident in our ability to consistently achieve double-digit earnings per share growth while improving return on capital.

We believe that the future of your company holds great promise. Twenty years ago, when we first listed our stock on the NYSE, no one could have predicted the remarkable growth our stock would enjoy. Your company has proven to be a sound, solid investment that has consistently rewarded investors — not just for months or even years, but for decades. We are confident that it will continue to consistently deliver shareholder value as we move into this new century.

August A. Busch III
Chairman of the Board and President
February 6, 2001


BREWERY FRESH
Budweiser
SINCE 1876
Budweiser
KING OF BEERS

DELIVERING

Growth that outpaces the industry

Our domestic beer volume grew at more than three times the rate for the overall industry in 2000. Sound strategic planning, along with improving beer industry fundamentals, contributed to our strong growth.

In 2000, the exceptional performance of your company's beer operations resulted in a year of record sales and profits and solidly positioned us for continued strong performance in 2001.

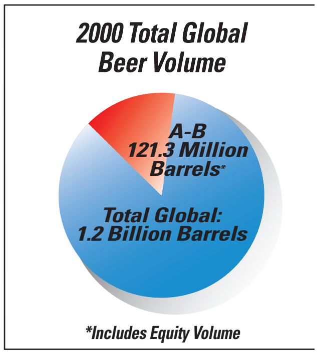
• Our U.S. volume rose 2.7%, surpassing overall industry volume growth of 0.8%.

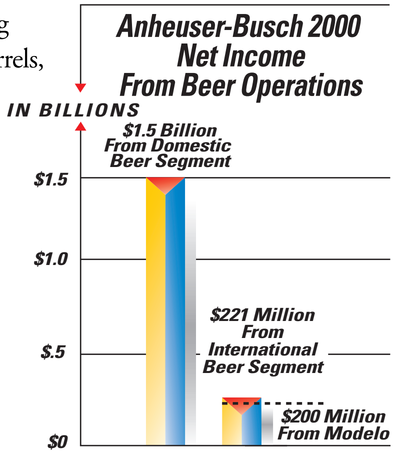
• Domestic market share, excluding exports, improved to 48.4%, an increase of 0.9 share points. We widened our lead over our nearest competitor by more than 2 share points.

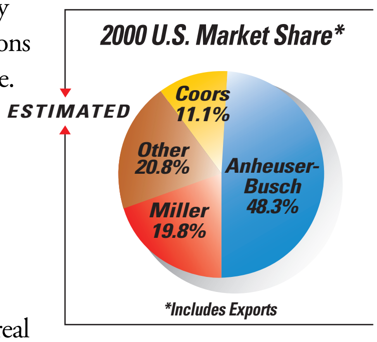
• International beer volume (excluding the United States) reached 7.3 million barrels, a gain of 100,000 barrels.

• Our share in the profits generated by Mexico's Grupo Modelo yielded a net contribution of $200 million, an increase of $42 million.

• Anheuser-Busch brands are far and away the leaders in the major U.S. beer pricing categories of premium regulars, premium lights and subpremiums. Our leading brand portfolio, combined with superior marketing, exceptional sales and distribution, and favorable domestic industry fundamentals, should drive our beer operations to even better results in the foreseeable future.







The outlook for the domestic beer industry improved significantly in the late 1990s and is expected to remain strong.

Pricing is up, due in part to higher capacity utilization resulting from industry consolidation. However, compared with increases in the consumer price index, the real price of beer is below 1990 levels, continuing to make beer affordable to consumers.

In addition, consumers are trading up from subpremium beers to higher-priced brands. This gives Anheuser-Busch an advantage, as almost 75% of our volume is in the premium and above categories. We are focused on gaining an even larger share of the high-end category through new products and our share of Modelo's volume sold in the United States.

U.S. demographics are also favorable. Strong growth is expected in key consumer groups, such as 21-27-year-old adults and adult Latinos, over the next 10 years.

We are well-positioned to capitalize on these trends. Extensive modernization of our 12 U.S. breweries has increased capacity and improved efficiency, resulting in lower costs. We have the strongest distribution system in the industry, and in recent years we have raised our selling standards even higher to build a wholesaler network that is fully prepared to meet future challenges. Our popular advertising, extensive retail sales efforts, wide range of sponsorships, and responsibility programs and messages contribute to a positive image for our brands.

Outside of the United States, Budweiser brands enjoyed strong sales in China, Mexico, Canada and Ireland and showed good improvement in Spain and Italy.

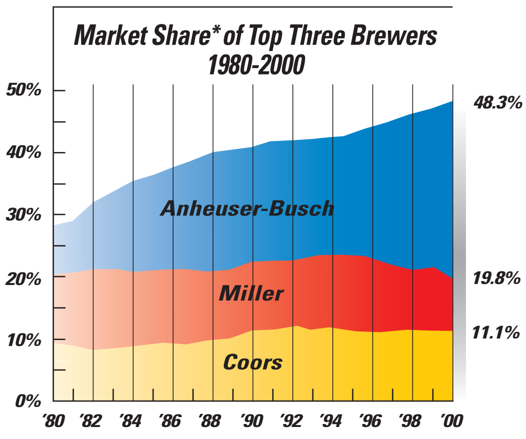
In 2001, our 50% interest in Grupo Modelo will contribute significantly to our bottom line, thanks to Modelo's leading position in the Mexican domestic and U.S. import markets.

The near-term outlook is extremely favorable in China, where in recent years we bought and modernized a brewery and established local production of Budweiser. Our Chinese operations are poised to gain a significant share of the premium sector of the Chinese market. This is especially important because the overall Chinese beer market is predicted to be the world's largest in the near future.

◂ Budweiser, the first national beer brand in the United States, celebrates its 125th anniversary in 2001.

DELIVERING...
Market Leadership

WE USE ONLY THE HIGHEST-QUALITY INGREDIENTS, state-of-the-art production processes and an unmatched distribution network to deliver brewery-fresh beer to consumers. These proven business methods have helped us increase our share of the U.S. market by almost 75% over the past 20 years while our closest competitors have registered small gains. Our commanding market share positions us to capitalize on the expected growth among U.S. adults ages 21-27.



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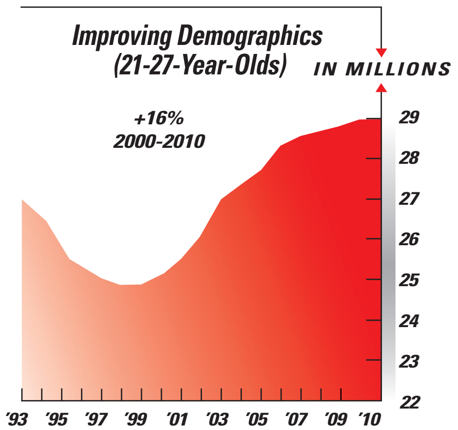
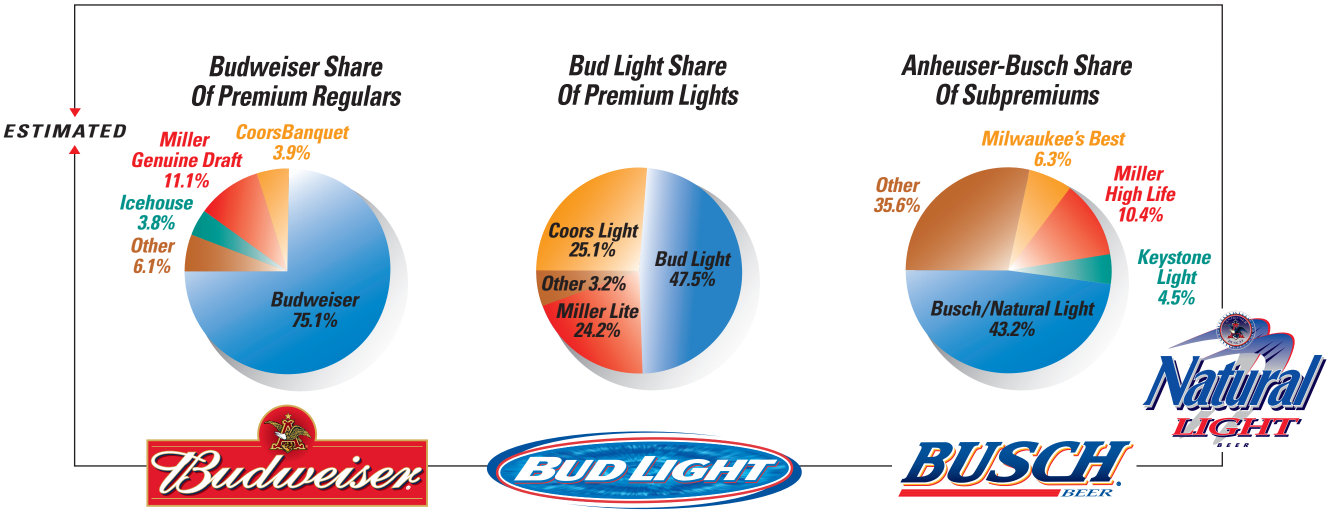


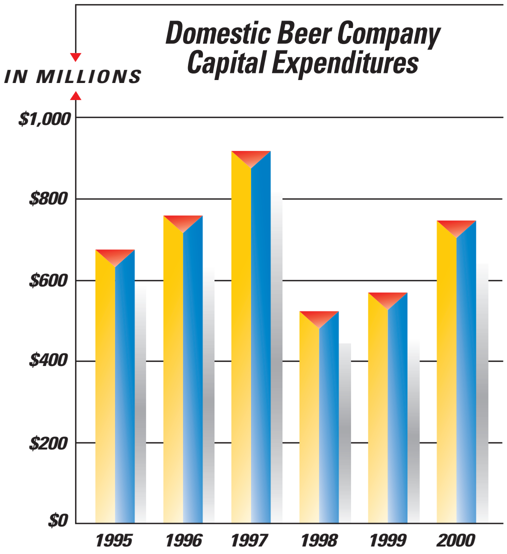
In 1980, Anheuser-Busch became the first brewer to sell 50 million barrels of beer in one year. In 2000, Anheuser-Busch's total global sales (including equity volume) reached 121.3 million barrels.

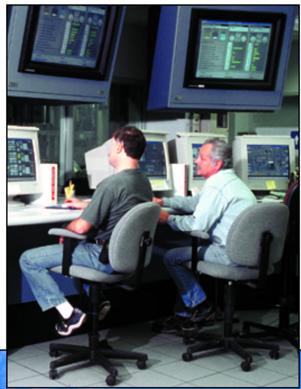
Our brands are the leaders in the major U.S. beer pricing categories of premium regulars (Budweiser), premium lights (Bud Light) and subpremiums (Busch and Natural Light brands).



DELIVERING...
Exceptional Production and Distribution

WE OPERATE A STRATEGICALLY LOCATED NETWORK of 12 U.S. breweries that employs state-of-the-art production techniques resulting from extensive modernization. Capital spending projects have improved efficiency, expanded capacity and reduced costs by more than $300 million annually.

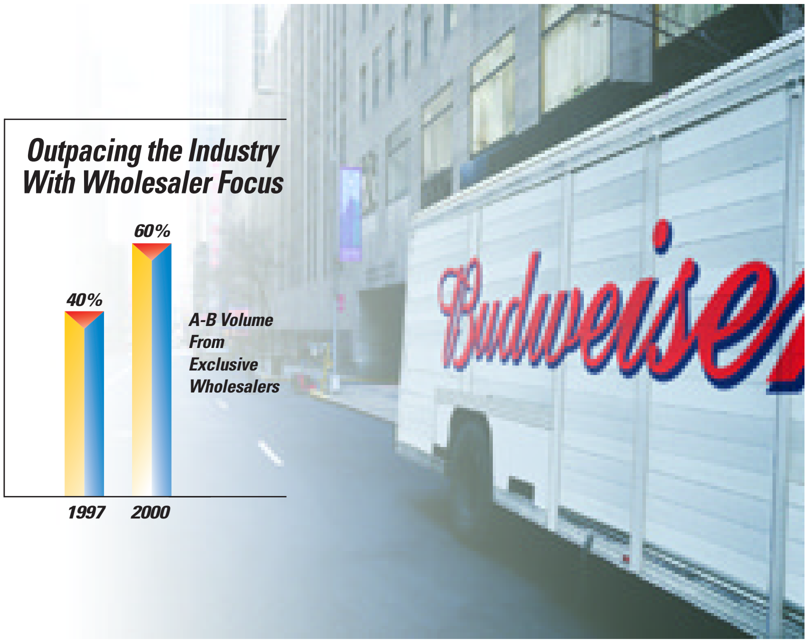


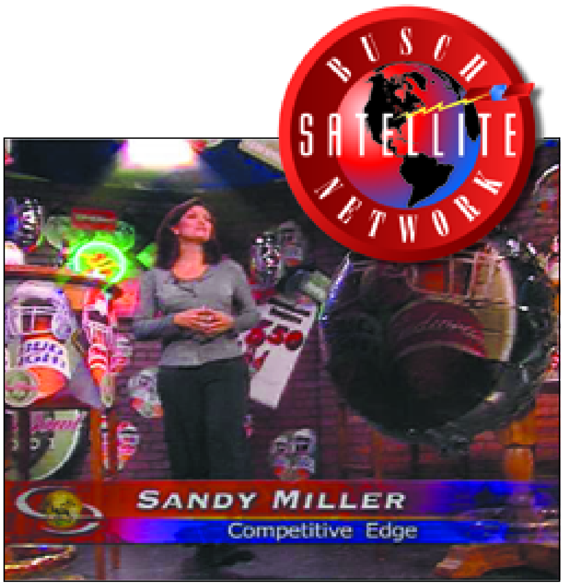


Capital improvements at our 12 U.S. breweries — including our St. Louis brewery, which dates back to the 19th century — have given us the most modern facilities in the industry.

In 1980, Anheuser-Busch was in the midst of a program to increase total capacity to 70 million barrels. In 2001, Anheuser-Busch is expanding capacity to well over 100 million barrels.

OUR NEARLY 700 WHOLESALERS ARE HIGHLY FOCUSED on maximizing sales, exceeding the expectations of retail and on-premise establishments, and delivering the freshest beer to consumers. Secure Internet-based communications empower our wholesalers to order and receive customized marketing materials overnight. Our Busch Satellite Network for wholesalers enables us to deliver televised training in the latest sales techniques. In addition, during the last few years we have provided incentives for wholesalers to carry our brands exclusively, which results in a 100% effort to sell our products. As a result, 60% of our volume — a percentage much higher than the industry norm — comes from wholesalers that sell our brands exclusively. That's a 50% increase since 1997.





DELIVERING...
Innovative Products and Marketing

WHILE OUR FOCUS REMAINS on Budweiser and Bud Light, the world's two top-selling beers, we also introduce brands to tap into developing markets. "Doc" Otis, 180 and Killarney's are our three newest brands.

• Capitalizing on the growing market for flavored malt-based alcohol drinks, we began national distribution in May of "Doc" Otis Hard Lemon, a blend of real lemon flavor and beer. In February 2001, we rolled out a new-look 12-oz. bottle with vibrant green and yellow graphics. We are also testing "Doc" Otis Hard Apple in select markets to extend the "Doc" Otis brand family.

• In January 2001, we rolled out 180, our entry into the fast-growing energy drink category. 180 is a non-alcohol, lightly carbonated, orange-citrus-flavored drink with vitamins B-6, B-12 and C, and enhanced with the taste of natural guarana. The name "180" communicates the "turnaround" or "energetic lift" people look for in an energy drink.

• Killarney's is our entry in the high-end red-lager beer category, where there is a potential market of several million barrels. Killarney's is brewed with a combination of imported Irish malts, Munich malt and caramel malt. Following successful test marketing, Killarney's in bottles was introduced nationally in February 2001.

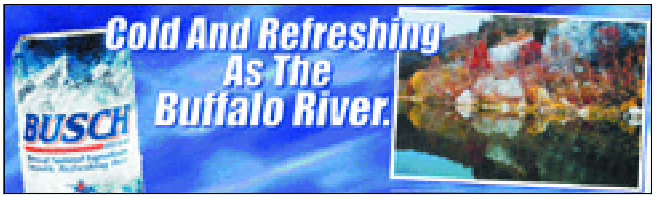
Since 1980, Anheuser-Busch has produced a string of award-winning ad campaigns for Budweiser, such as "This Bud's for You," "Proud To Be Your Bud," the Bud-Weis-Er frogs, Frank and Louie, and "Whassup?!"

***MAJOR FACTORS IN OUR SUCCESS** are our innovative marketing and sponsorship programs in media, entertainment, sports and the environment.*

• In 2001, Anheuser-Busch had the top-rated Super Bowl commercial for the third consecutive year. "Cedric" was the winner for Super Bowl XXXV.

• With memorable advertising such as the "Whassup?!" campaign and annual promotions such as Bud Bowl, Budweiser has the highest adult consumer ad recall of any beer brand.

• We promote environmental responsibility with programs such as "Busch Blue Waters," which partnered Busch with American Rivers, the nation's leading river conservation organization. The promotion invited adults to submit photographs of designated rivers, lakes or landmark bodies of water. The best photograph in each market was chosen and made into a Busch billboard. Anheuser-Busch presented winning photographers with checks for $1,500. Matching donations went to local environmental groups to support water preservation initiatives.

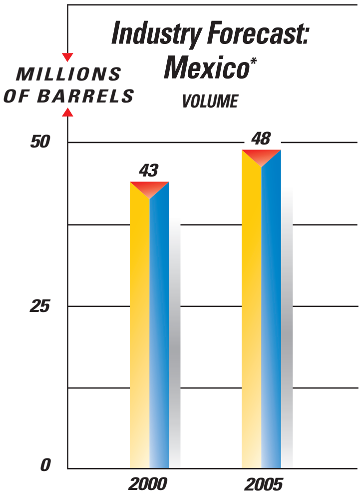


• We reach adult beer consumers with sponsorships of popular entertainers such as country and western star Tim McGraw.

• In sports, we are official sponsors of the Ladies Professional Golf Association, Major League Baseball, Major League Soccer, NASCAR, the National Basketball Association, the National Hockey League, the Professional Golf Association and the Women's National Basketball Association.

DELIVERING...
International Growth

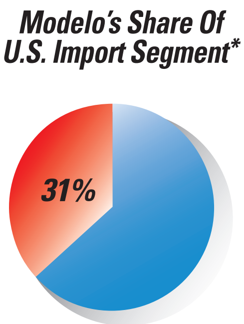
IN MEXICO, WE ENJOY an excellent partnership with that nation's leading brewer, Grupo Modelo. We own 50.2% of Diblo, Modelo's operating subsidiary, and share in Modelo's profits. Modelo's strong performance contributed $200 million to our net income in 2000. Modelo has more than 55% of the Mexican beer market and is the world's leading exporter of beer. Modelo's strongest international market is the United States, where Modelo's Corona family of beers is the No. 1 import brand. Modelo also imports and distributes Budweiser, Bud Light and O'Doul's Amber in Mexico. Sales of our brands in Mexico grew 15.3% in 2000, and Budweiser brands hold a 41% share of Mexico's import segment.



*Estimates from Canadean, a firm that analyzes global beverage volumes

Modelo Brewery Locations

Modelo operates eight breweries in Mexico. Increasing demand for Modelo's brands in Mexico and abroad has led to an extensive expansion of brewing capacity. For example, Modelo doubled the capacity of its plant in Sonora in an expansion that was completed in December.



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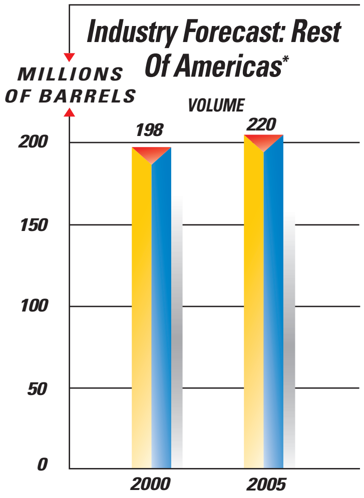
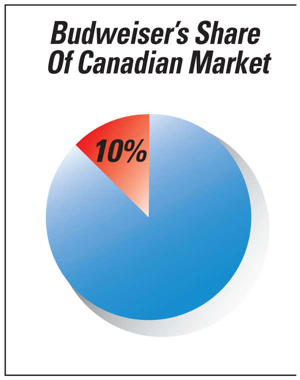


*Estimates from Canadean, a firm that analyzes global beverage volumes. Does not include United States.

OUR PARTNERS in Canada and South America are Labatt and Compañía Cervecerías Unidas S.A. (CCU).

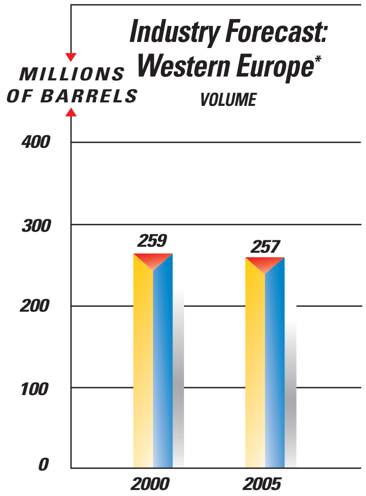
Labatt brews, distributes and markets Budweiser and Bud Light in Canada, where Budweiser is the third-best-selling beer brand.

CCU operates principally in Chile and Argentina. In early 2001, we purchased 17% of CCU.



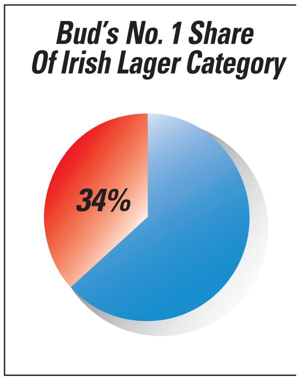
A-B Presence In Canada and South America

Budweiser is brewed under license in Argentina by CCU-Argentina, which also produces a number of other popular Argentine brands.



*Estimates from Canadean, a firm that analyzes global beverage volumes

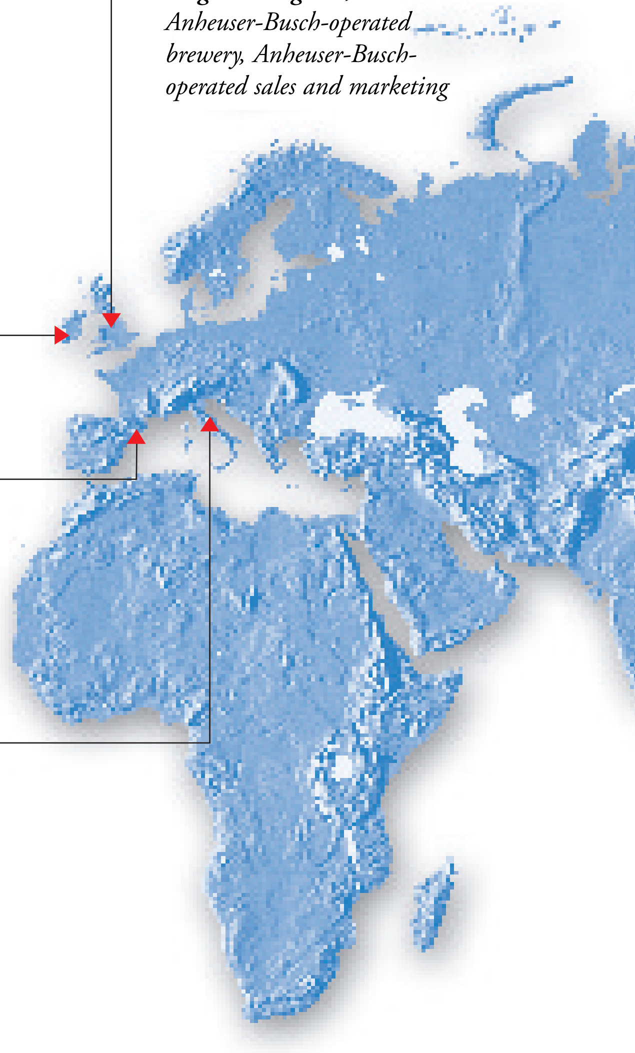
IN WESTERN EUROPE, we operate a brewery in the United Kingdom and have formed partnerships with leading brewers in Ireland, Italy and Spain. Our production, sales and marketing have given Budweiser a strong presence in the United Kingdom, the world's sixth-largest beer market. Budweiser's sales are strong in Ireland and increased 17.8% in Italy and 3.4% in Spain.



Our long partnership with Guinness, with whom we have had a local brewing agreement since 1986, has produced excellent results for Budweiser in the Republic of Ireland. Ireland is the fourth-largest international market in the world for Budweiser. Sales rose 2.6% in 2000.

A-B Presence In Western Europe

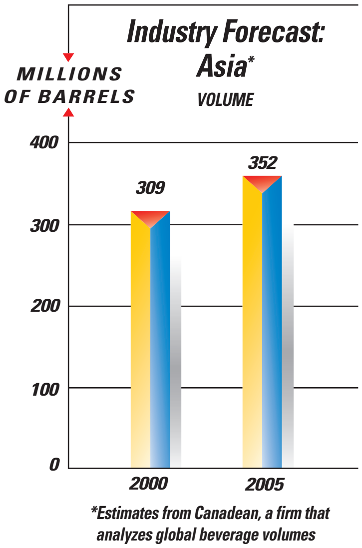
United Kingdom: Budweiser Stag Brewing Co., Ltd.
Anheuser-Busch-operated brewery, Anheuser-Busch-operated sales and marketing



Ireland: Guinness Ireland Ltd.
License agreement, with local Budweiser brewing and joint marketing

Spain: Sociedad Anonima Damm (Cervezas Damm)
Local Budweiser brewing, Budweiser-operated sales and marketing

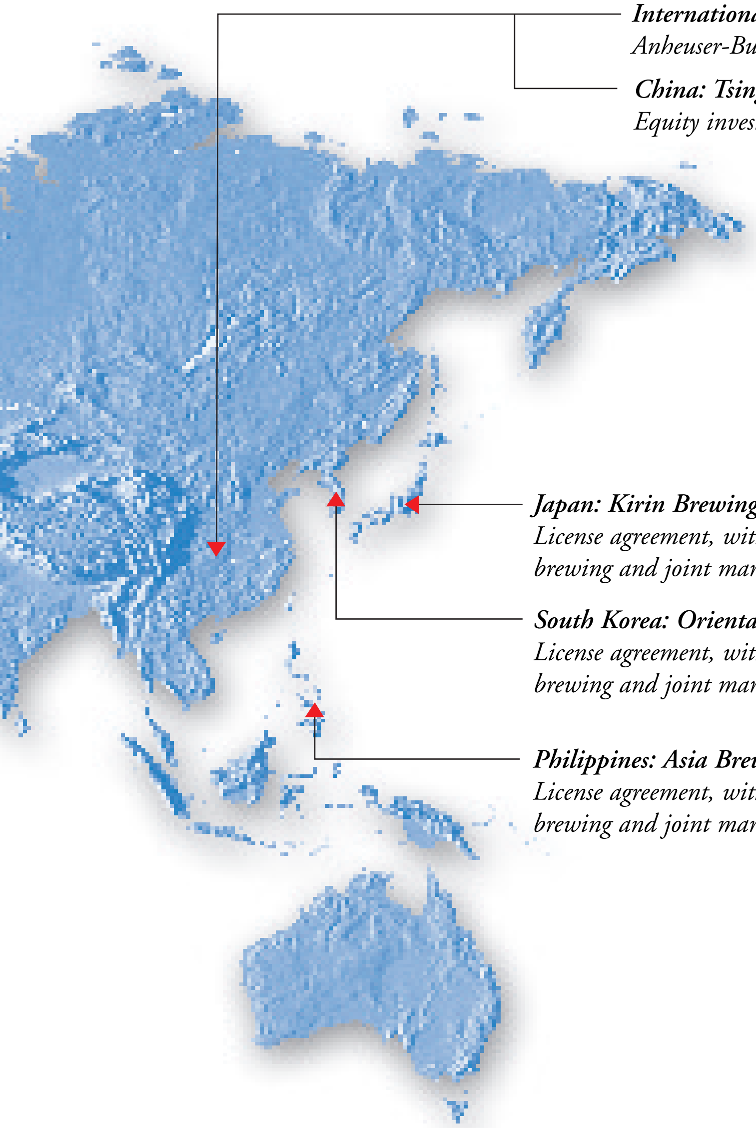
Italy: S.P.A. Birra Peroni Industriale
License agreement, with local Budweiser brewing and joint marketing



IN ASIA, WE SELL our brands through a variety of local ownership, brewing and licensing agreements. We have built a strong foundation for growth in China, which is expected to become the world's largest beer market in the near future. We own 91.8% of the brewery where we produce Budweiser in China, and we have developed effective Chinese marketing and distribution strategies that have made Budweiser far and away the best-selling international premium beer. In 2000, results were mixed in Japan, South Korea and the Philippines, where we have local Budweiser brewing agreements.

Years of preparation are starting to pay off for Budweiser in China, where we were the first U.S. brewer to control a majority interest in a brewery. Sales rose 25% in 2000 and our Chinese operations are poised for even better results. We own our production facility in Wuhan, China's fifth-largest city, and we have a network of almost 70 independent wholesalers in more than 40 markets. We have our own sales force, and we use a mix of local promotions, mass advertising and sports sponsorships to promote Budweiser.

A-B Presence in Asia



China: Budweiser Wuhan International Brewing Company, Ltd.
Anheuser-Busch-owned brewery, 91.8%

China: Tsingtao Brewing Company, Ltd.
Equity investment 5%

Japan: Kirin Brewing Company, Ltd.
License agreement, with local Budweiser brewing and joint marketing

South Korea: Oriental Brewing Company, Ltd.
License agreement, with local Budweiser brewing and joint marketing

Philippines: Asia Brewery, Inc.
License agreement, with local Budweiser brewing and joint marketing

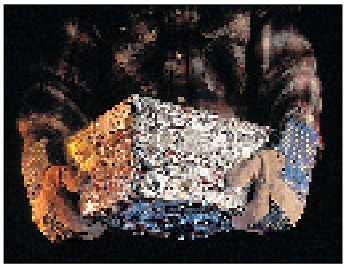

MICHELOB
Light
BEER
MICHELOB
Light
SIGNATURE BEER OF GOLF

DELIVERING
Support to the beer company

Packaging Group supplies cans, lids, labels and crown and closure liner materials to the beer company. Packaging Group will begin making bottles in 2001.

Pretax profits from our Packaging Group were $88 million in 2000, down $62 million from 1999.

The 2000 profit decline resulted from lower can pricing, a decrease in can demand, and a one-time $14 million charge related to past accounting errors in the company's label business.



Anheuser-Busch Recycling Corporation is the world's largest recycler of aluminum cans.

However, the Packaging Group succeeded in its mission of continuing to support the beer company:

• Metal Container Corporation (MCC) supplied 61% of Anheuser-Busch's domestic beer cans and 80% of Anheuser-Busch's domestic lids. MCC also is a major supplier of cans to Pepsi and, in 2000, added Coca-Cola and Modelo as customers.

• Anheuser-Busch Recycling Corporation (A-BRC), the world's largest aluminum can recycler, helped the environment while contributing to the corporation's bottom line. A-BRC recycles more cans than A-B ships domestically.

Metal Container Corporation (MCC) used the theme of Michelob's sponsorship of professional golf to produce a special dimpled can with the look and feel of a golf ball for introduction in February 2001. The cans are available for Michelob and Michelob Light.

• **Metal Container Corp. can plants**
-Arnold, Mo.
-Columbus, Ohio
-Fort Atkinson, Wis.
-Jacksonville, Fla.
-Mira Loma, Calif.
-Newburgh, N.Y.
-Rome, Ga.
-Windsor, Colo.

• **Metal Container Corp. lid plants**
-Gainesville, Fla.
-Oklahoma City, Okla.
-Riverside, Calif.

• **Longhorn Glass Corp.**
-Jacinto City, Texas

• **Precision Printing and Packaging, Inc. label plant**
-Clarksville, Tenn.

• **Eagle Packaging, Inc. liner plant**
-Bridgeton, Mo.

• **Anheuser-Busch Recycling Corp.**
-Hayward, Calif.

• Precision Printing and Packaging, Inc. provided more than 23.5 billion labels for the beer company and other customers.

• A new subsidiary, Eagle Packaging, Inc. started operations in May. Eagle Packaging supplies 100% of the beer company's domestic crown and closure liner materials, which seal bottles and help ensure consistent quality and flavor.

After startup later this year, Longhorn Glass will supply bottles to the Houston brewery.

• Renovation of a glass bottle facility is under way in Jacinto City, Texas. The plant was closed by Anchor Glass in 1997 and acquired by the Packaging Group in the first quarter of 2000. After startup in the second quarter of 2001, Longhorn Glass will supply bottles to our Houston brewery.

The Packaging Group will continue to supply innovative, low-cost packaging and, in 2001, will increase its focus on capital efficiency, operational improvements and cost reductions to raise profitability and free cash flow.

DELIVERING
Adventure to 21 million guests

Attendance rose more than 11% and Discovery Cove drew capacity crowds in its first six months of operation.

Busch Entertainment Corporation (BEC) enjoyed an exceptional year:

• Park attendance rose 11% to 21 million.

• Response was overwhelming to Discovery Cove, a new and innovative concept in theme parks.

• Including nonrecurring costs associated with the startup of Discovery Cove, pretax profits were up slightly.

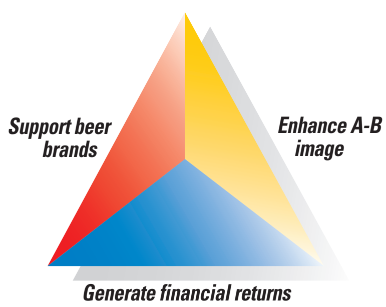
BEC has a three-pronged mission:

1. Enhance Anheuser-Busch's image by tangibly representing the Anheuser-Busch commitment to quality and conservation;

2. Generate solid financial returns to Anheuser-Busch;

3. Responsibly promote Anheuser-Busch brands.

Busch Entertainment's Three-Pronged Mission



In addition to providing strong financial returns in 2000, BEC was successful in reaching its other objectives. BEC played host to more than 7 million guests at in-park Anheuser-Busch hospitality centers, where we served more than 4 million complimentary beer samples, and showcased Anheuser-Busch symbols such as the Budweiser Clydesdales and beer-branded merchandise. Independent research has confirmed that adult guests' image of Anheuser-Busch and the company's major brands improves significantly as a result of visits to BEC parks.

Discovery Cove proved to be a major attention-getter for BEC and Anheuser-Busch. Discovery Cove, which opened in July in Orlando, Fla., offers guests opportunities available at no other theme park. Guests can swim with dolphins and interact with other sea animals and birds. Admission is by reservation only and attendance is limited to allow for an exclusive, uncrowded experience. Discovery Cove is open year-round.

Discovery Cove was profitable from its first day of operation and continues to sell out during popular tourism seasons in Florida.

The successful opening of Discovery Cove adds to BEC's already formidable reputation as a leader in wildlife conservation and education. BEC is first in the world in the number of animals it rescues, rehabilitates and returns to the wild. It has also won numerous awards for educational courses in its parks and on television and the Internet.

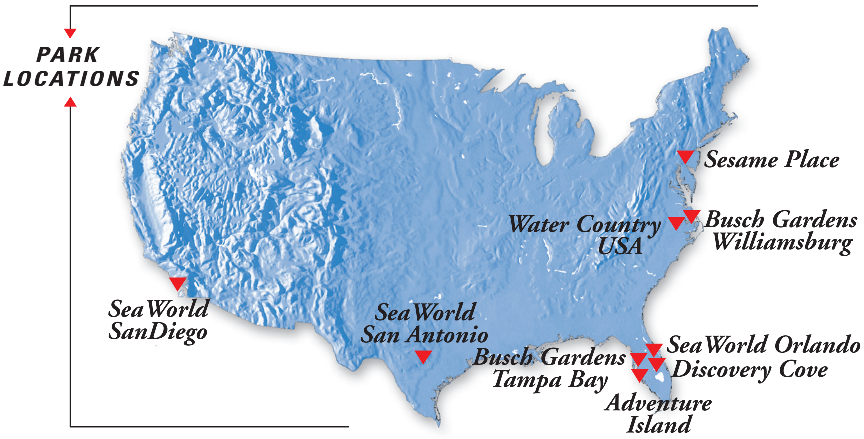
Looking ahead, a full year of Discovery Cove operation, exciting new attractions and creative marketing plans give BEC strong prospects for 2001. In the long term, carefully balanced reinvestment should stimulate generation of significant free cash flow for the company.

Along those lines, in February 2001 BEC sold SeaWorld Cleveland, which is adjacent to Six Flags Ohio, to Six Flags, Inc. for $110 million in cash. The sale excludes the use of the SeaWorld brand name. The park's killer whales and dolphins are being moved to other SeaWorld locations and Discovery Cove.

Discovery Cove, which opened in July, welcomes guests into a world of adventure offered by no other theme park.

DELIVERING...
Fun And Adventure

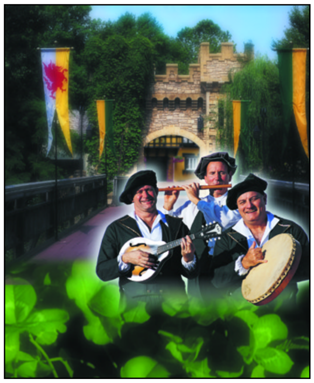
GUESTS AT OUR NINE ADVENTURE PARKS enjoy a wide range of entertainment, including close encounters with sea and land animals, thrills on some of the nation's most exciting rides, and education about marine and animal wildlife. Attendance at our parks rose more than 11% despite adverse summer weather and declining foreign tourism. Extensive ticket and season-pass promotions targeting residents within the parks' markets contributed to Busch Entertainment's success.



Our promotional efforts in local markets will be highly visible in 2001, thanks to a newly acquired fleet of Volkswagen Beetles decorated like Shamu that will be driven by local sales representatives.

Among our new attractions for 2001 are Rhino Rally at Busch Gardens Tampa Bay and Ireland at Busch Gardens Williamsburg. Rhino Rally will be an off-road safari through a 16-acre African plain that ends with a roaring-river thrill ride. Ireland will be the sixth country at European-themed Busch Gardens Williamsburg and will feature a 3-D action adventure attraction, a special effects show and Irish music, dancing and dining.

Ireland



Sesame Place, which opened in 1980, has entertained more than 10 million guests. It is the nation's only theme park based on the award-winning "Sesame Street" television show.

Montu At Busch Gardens Tampa Bay

Alpengeist At Busch Gardens Williamsburg

Kumba at Busch Gardens Tampa Bay

Three Busch Entertainment attractions — Alpengeist at Busch Gardens Williamsburg and Montu and Kumba at Busch Gardens Tampa Bay — were ranked among the top 10 roller coasters in the United States by the industry publication Amusement Today. Another ride, Kraken, opened at SeaWorld Orlando as the biggest and fastest roller coaster in central Florida.

In 2000, SeaWorld San Diego welcomed its 100 millionth guest, becoming the second BEC park to reach that milestone. Busch Gardens Tampa Bay was the first.

Busch Entertainment is known throughout the world for its leadership in wildlife conservation and education. We offer educational programs at our parks, on television and on the Internet, including frequent appearances by our animal ambassador, Julie Scardina, on popular programs such as "The Tonight Show with Jay Leno." We assist endangered species such as Florida's manatees, and since 1995 we have rescued more than 5,000 animals in distress.

Courtesy NBC Studios, www.NBC.com

ANHEUSER-BUSCH Companies

DELIVERING

Shareholder Value

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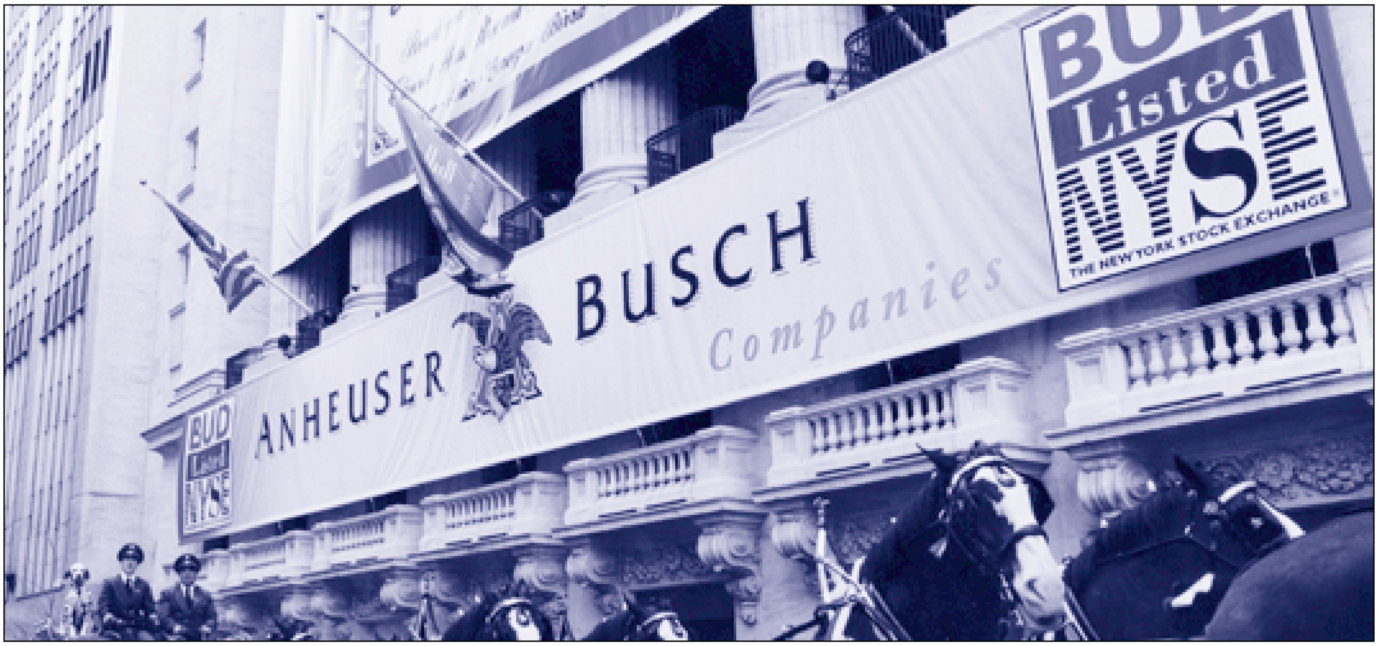
2000

ANHEUSER BUSCH Companies



Management's Discussion and Analysis of Operations and Financial Condition

Introduction

This discussion summarizes the significant factors affecting the consolidated operating results, financial condition and liquidity/cash flows of Anheuser-Busch Companies, Inc. for the three-year period ended December 31, 2000. This discussion should be read in conjunction with the Letter to Shareholders, Consolidated Financial Statements and Notes to the Consolidated Financial Statements included in this annual report.

This discussion contains statements regarding the company's expectations concerning its operations, earnings and future outlook. These statements are forward-looking statements that involve significant risks and uncertainties, and accordingly, no assurances can be given that such expectations will be correct. These expectations are based upon many assumptions that the company believes to be reasonable, but such assumptions may ultimately prove to be inaccurate or incomplete, in whole or in part. Important factors that could cause actual results to differ (favorably or unfavorably) from the expectations stated in this discussion include, among others, changes in the pricing environment for the company's products; changes in domestic demand for malt beverage products; changes in consumer preference for the company's malt beverage products; regulatory or legislative changes; changes in raw materials prices; changes in interest rates; changes in foreign currency exchange rates; changes in attendance and consumer spending patterns for the company's theme park operations; changes in demand for aluminum beverage containers; changes in the company's international beer business or in the beer business of the company's international equity partners; and the effect of stock market conditions on the company's share repurchase program. The company disclaims any obligation to update any of these forward-looking statements. If the company determines to update any forward-looking statement, it will do so publicly. No private statements by the company or its personnel should be interpreted as updating forward-looking statements.

Objectives

Anheuser-Busch remains focused on three major objectives to enhance shareholder value:

- Increasing domestic per barrel profitability which, when combined with continued market share growth, will provide solid long-term earnings per share growth.
- Profitable expansion of international beer operations by making selected investments in leading brewers in key international beer growth markets and building the Budweiser brand worldwide. The company has made significant marketing investments to build Budweiser brand recognition outside the United States and owns overseas breweries in China and the United Kingdom. The company has a significant equity position in Grupo Modelo, Mexico's largest brewer and producer of the Corona brand, and recently purchased an equity position in Compañía Cervecerías Unidas, the leading brewer in Chile.

■ Continued support of profit and free cash flow growth in packaging and entertainment operations. Packaging operations provide significant efficiencies, cost savings and quality assurance for domestic beer operations. Entertainment operations enhance the company's corporate image by showcasing Anheuser-Busch's heritage, values and commitment to quality and social responsibility to approximately 21 million visitors annually.

Comparison of Operating Results

The company distributed a two-for-one stock split on September 18, 2000. All share and per share information in this discussion has been restated to reflect the impact of the stock split.

Comparisons of key operating results for the last three years are summarized in the following tables.

COMPARISON OF OPERATING RESULTS ($ in millions, except per share)

	2000	1999	2000 vs. 1999	
Gross sales	**$14,297**	$13,723	▲$574	▲ 4.2%
Net sales	**$12,262**	$11,704	▲$558	▲ 4.8%
Operating income	**$2,495**	$2,302	▲$193	▲ 8.4%
Equity income, net of tax	**$200**	$158	▲ $42	▲27.0%
Net income	**$1,552**	$1,402	▲$150	▲10.7%
Diluted earnings per share	**$1.69**	$1.47	▲ $.22	▲15.0%

	1999	1998	1999 vs. 1998	
Gross sales	$13,723	$13,208	▲$515	▲ 3.9%
Net sales	$11,704	$11,246	▲$458	▲ 4.1%
Operating income	$2,302	$2,125	▲$177	▲ 8.3%
Equity income, net of tax	$158	$85	▲ $73	▲85.2%
Net income	$1,402	$1,233	▲$169	▲13.7%
Diluted earnings per share	$1.47	$1.27	▲ $.20	▲16.2%

	1998	1997 (1)	1998 vs. 1997	
Gross sales	$13,208	$12,832	▲$376	▲ 2.9%
Net sales	$11,246	$11,066	▲$180	▲ 1.6%
Operating income	$2,125	$2,053	▲ $72	▲ 3.5%
Equity income, net of tax	$85	$50	▲ $35	▲68.7%
Net income	$1,233	$1,179	▲ $54	▲ 4.6%
Diluted earnings per share	$1.27	$1.18	▲$.09	▲ 7.2%

(1) Net income and diluted earnings per share exclude the impact of the cumulative accounting adjustment for systems reengineering costs per EITF No. 97-13. Including this adjustment, net income for 1997 would have been $1,169 and diluted earnings per share would have been $1.17.

Beer Volume Sales

Total worldwide beer sales volume results are summarized in the following table:

WORLDWIDE BEER SALES VOLUME (millions of barrels)

	2000	1999	Change
Domestic	**98.3**	95.7	▲ 2.7%
International	**7.3**	7.2	▲ 1.3%
Worldwide A-B brands	**105.6**	102.9	▲ 2.6%
International equity partner brands	**15.7**	15.1	▲ 3.9%(1)
Total brands	**121.3**	118.0	▲ 2.8%(1)

(1) Normalized to exclude 1999 volume related to Anheuser-Busch's previously held equity stake in Antarctica, Equity Partner volume increased 6.2%, and Total Brands volume increased 3.1%, for 2000 vs. 1999.

	1999	1998	Change
Domestic	95.7	92.7	▲ 3.2%
International	7.2	7.1	▲ 1.2%
Worldwide A-B brands	102.9	99.8	▲ 3.1%
International equity partner brands	15.1	11.2	▲ 34.7%
Total brands	118.0	111.0	▲ 6.3%

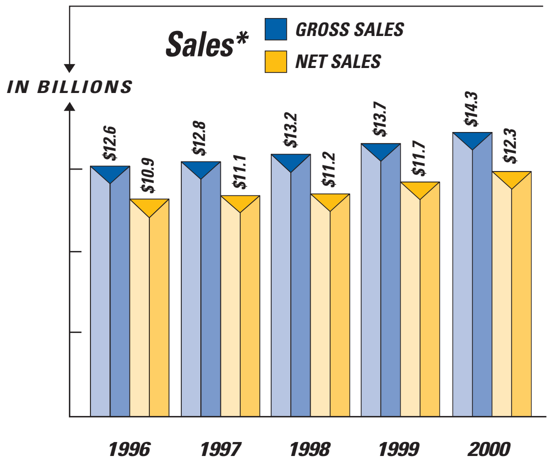
	1998	1997	Change
Domestic	92.7	89.6	▲ 3.5%
International	7.1	7.0	▲ 0.6%
Worldwide A-B brands	99.8	96.6	▲ 3.3%
International equity partner brands	11.2	6.8	▲ 64.9%
Total brands	111.0	103.4	▲ 7.3%

Worldwide beer volume is comprised of domestic and international volume. Domestic volume represents Anheuser-Busch brands produced and shipped within the United States. International volume represents exports from the company's U.S. breweries to markets around the world, plus Anheuser-Busch brands produced overseas by company-owned breweries in China and the United Kingdom and under license and contract brewing agreements. Budweiser and other Anheuser-Busch beer brands are sold in more than 80 countries worldwide. Total volume combines worldwide Anheuser-Busch brand volume with the company's pro rata share of volume in international equity partner Grupo Modelo. Total brands also includes Anheuser-Busch's equity share of Antarctica beer volume through July 1999. The company sold its equity investment back to Antarctica in July 1999.

Sales — 2000 vs. 1999

Anheuser-Busch achieved record gross sales of $14.3 billion and record net sales of $12.3 billion in 2000. Gross sales increased vs. 1999 by $574 million, or 4.2%, and net sales increased $558 million, or 4.8%, compared to 1999. The primary factors responsible for these increases were increased domestic revenue per barrel and higher domestic beer sales volume, partially offset by lower international beer sales due primarily to the conversion of the company's 90% owned Japan joint venture into an exclusive licensing arrangement. The difference between gross and net sales in 2000 is beer excise taxes of $2.03 billion.

Domestic revenue per barrel grew 2.5% for the year 2000 compared to 1999, reflecting the company's continuing focus on beer profit margin growth. The domestic beer industry environment continues to support price increases and additional discount reductions. In October 2000, the company successfully implemented the first stage of its planned revenue enhancement strategy for 2001 in markets representing 40% of its domestic volume. In February 2001, the company implemented its second stage of price increases and discount reductions on another 35% of the company's domestic volume. These revenue initiatives have again been tailored to specific markets, brands and packages.



* The difference between gross sales and net sales represents beer excise taxes.

Domestic beer sales-to-wholesalers increased 2.7% for the year 2000, to 98.3 million barrels. Domestic volume growth was led by the Bud Family, with Bud Light registering its ninth consecutive year of double-digit growth due to strong underlying retail demand. Domestic sales-to-retailers were up 2.5% for the year compared to 1999.

Anheuser-Busch believes its success in 2000 provides a solid foundation for future growth, given the company's ability to capitalize on favorable domestic industry fundamentals and the continued strong earnings growth by the international beer segment. Profit margins were significantly enhanced and return on capital employed increased 100 basis points in 2000. The company remains confident in its ability to consistently achieve its long-term double-digit earnings per share growth objectives, with an earnings per share growth target of 12% for 2001.

Worldwide Anheuser-Busch beer sales volume grew to 105.6 million barrels, up 2.6% for 2000 compared to 1999. Total volume was 121.3 million barrels, up 2.8% for the year. Normalized to exclude 1999 volume related to Anheuser-Busch's previously held equity stake in Antarctica, equity partner volume increased 6.2% for the year, and total volume increased 3.1%.

The company's reported domestic market share (excluding exports) for 2000 was 48.4%, an increase of 0.9 share points over 1999 market share of 47.5%. Including exports, the company's share of U.S. shipments was 48.3% vs. 47.4% for 1999. Domestic market share and share of U.S. shipments are determined based on industry sales estimates provided by the Beer Institute, which have not been adjusted for the impact of the wholesaler inventory reduction initiated by Miller in the fourth quarter. The company has led the U.S. brewing industry in sales volume and market share since 1957.

International beer volume (excluding Modelo) grew 1.3% in 2000, due primarily to growth in Canada and China, partially offset by lower volume in the United Kingdom.

Sales — 1999 vs. 1998

Anheuser-Busch achieved gross sales of $13.7 billion and net sales of $11.7 billion in 1999. Gross sales increased over 1998 by $515 million, or 3.9% and net sales increased over 1998 by $458 million, or 4.1%. The sales increases are primarily due to higher domestic beer volume and higher revenue per barrel. The difference between gross and net sales for 1999 is beer excise taxes of $2.02 billion.

Domestic revenue per barrel grew nearly 3% in 1999 compared to 1998, reflecting the company's focus on enhancing domestic beer profitability. In the fourth quarter 1999, the company implemented price increases in 72% of the country on selected brands and packages representing 43% of its volume.

Domestic beer shipments to wholesalers grew to 95.7 million barrels in 1999, an increase of 3.0 million barrels or 3.2% over 1998. Each of the company's core brand families contributed to domestic volume growth. Bud Light recorded its eighth consecutive year of double-digit growth. Overall, wholesaler sales-to-retailers grew 3.3% for full year 1999.

Worldwide Anheuser-Busch beer brands shipments grew to 102.9 million barrels for the year 1999, up 3.1% compared to 1998. This marked the first time in brewing industry history a company has sold over 100 million barrels of its beer in a single year. Total beer volume in 1999 was 118.0 million barrels, up 6.3% over 1998.

The company's domestic market share (excluding exports) for 1999 was 47.5%, an increase of 0.7 share points over 1998 market share of 46.8%. Including exports, the company's share of U.S. shipments was 47.4% for the year vs. 46.6% for 1998.

International beer volume (excluding Modelo) was up 1.2% for the year 1999 compared to 1998, to 7.2 million barrels. The increase was due primarily to gains in the Americas, Ireland and Continental Europe, partially offset by weakness in Asia, principally in Japan, and lower sales in the United Kingdom.

In August 1999, the company recalled twist-off bottles in several European countries as a quality assurance measure. The recall stemmed from problems with the bottle manufacturing process. There were no quality issues with the beer itself. The company incurred total pretax costs of approximately $6 million in 1999 for the bottle recall.

In July 1999, Anheuser-Busch sold its equity interest in Antarctica back to Antarctica. There was no impact on earnings associated with the divestiture. In September 1999, Anheuser-Busch and Antarctica announced a joint decision not to apply to CADE, Brazil's antitrust commission, for continued production of Budweiser by Antarctica. Instead, the company entered into a distribution agreement with Expand Group in December 1999 for the exporting of Budweiser to Brazil beginning in January 2000. The pretax cost of discontinuing Budweiser production in Brazil was approximately $6 million.

Effective January 1, 2000, the company converted its 90%-owned Japan joint venture operation into an exclusive license agreement with its local partner Kirin, for the production and selling of Budweiser in Japan. The new agreement with Kirin is designed to create new opportunities for Budweiser's growth and to improve profitability by giving the brand full access to Kirin's national wholesaler distribution and integrated selling systems and reducing the company's overhead costs in Japan. The cost of converting to the license agreement was approximately $9 million and is included in 1999 results.

Sales — 1998 vs. 1997

Anheuser-Busch achieved gross sales of $13.2 billion and net sales of $11.2 billion in 1998. These results represent a gross sales increase over 1997 of $376 million, or 2.9%, and a net sales increase over 1997 of $180 million, or 1.6%. The increases were primarily due to higher domestic beer volume. For 1998, sales and excise taxes include the impact of accounting for the Stag Brewery operations in the United Kingdom on a consolidated basis vs. equity accounting in 1997. Beer excise taxes for 1998 totaled $1.96 billion.

Worldwide volume for Anheuser-Busch beer brands was up 3.3% for 1998, compared to the prior year. Total volume was up 7.6 million barrels, or 7.3%, for the year. International equity partner brands reflects the company's 37% ownership interest in Grupo Modelo brands for the first nine months of 1998 and 50.2% for the fourth quarter, compared to a combination of 17.7% ownership interest for the first five months of 1997 and 37% thereafter.

Anheuser-Busch's strategy to reduce domestic price discounting initiated at the beginning of 1998 was successful. This strategy was designed to increase revenues, reduce the spread between front-line and discounted prices to consumers, and protect the company's brand equities. In October 1998, the company initiated a revenue enhancement strategy of selective price increases and discount reductions. As a result of these and other actions, domestic revenue per barrel was up nearly 3% in the fourth quarter 1998 compared to the same period in 1997, and was level for the full year compared to full year 1997.

Anheuser-Busch domestic beer shipments grew 3.5% during 1998, reflecting strong retail demand. Overall, sales-to-retailers were up 4% for 1998. Combined Bud and Bud Light sales-to-retailers increased 3.4% for 1998 compared to 1997. This growth was led by Bud Light, which had its seventh consecutive double-digit growth year.

The company's domestic market share (excluding exports) for 1998 was 46.8%, an increase of 1.0 share points over 1997 market share of 45.8%. Including exports, the company's share of U.S. shipments was 46.6%, vs. 45.5% for 1997.

International Anheuser-Busch brand volume (excluding Modelo) was up 0.6% in 1998 compared to 1997. Strong Budweiser sales performances in the United Kingdom, Ireland, Continental Europe and Canada were mostly offset by sales declines in Asia.

In Japan, Anheuser-Busch performance was impacted by lower industry sales due to an economic recession and the introduction of a tax-advantaged "happoshu" beer category. Accordingly, Anheuser-Busch significantly restructured its sales force. The restructuring resulted in a pretax charge of $9 million in the fourth quarter 1998.

In June 1998, the company restructured its alliance granting Labatt Brewing Company perpetual rights to brew and sell the Budweiser and Bud Light brands in Canada. In return, Labatt significantly increased marketing support behind the two brands and Anheuser-Busch received a higher royalty percentage on Budweiser and Bud Light sales in Canada.

Cost of Products and Services

The company continuously strives to drive costs out of its system. Brewery modernizations have yielded long-term savings through reduced beer packaging and shipping costs and reduced maintenance and equipment replacement costs. The company's focused production methods and wholesaler support centers concentrate small-volume brand and package production at three breweries to create production efficiencies, reduce costs and enhance responsiveness to changing consumer brand/package preferences. Also, the company works with its network of wholesalers to reduce distribution costs through better systemwide coordination.

Cost of products and services was $7.59 billion for 2000, an increase of $338 million, or 4.7%, compared to 1999. The increase in cost of products and services is principally due to higher domestic beer volume and increased costs at the company's entertainment, can manufacturing and commodity aluminum recycling businesses. Gross profit as a percentage of net sales was 38.1% for 2000, an increase of 10 basis points compared to 1999, primarily reflecting increased domestic revenue per barrel, partially offset by lower packaging segment gross profit.

Cost of products and services was $7.25 billion in 1999, an increase of $92 million, or 1.3%, vs. 1998. The increase in the cost of products and services in 1999 is primarily due to higher domestic beer volume and higher costs at the company's packaging operations. Gross profit as a percentage of net sales for 1999 was 38.0%, an increase of 170 basis points vs. 1998.

Cost of products and services was $7.16 billion in 1998, an increase of $66 million, or 0.9%, compared to 1997. The change in the cost of products and services in 1998 is primarily due to increased beer volume, the change in the method of accounting for the Stag Brewery operation (consolidation in 1998 vs. equity accounting in 1997) and improved brewery operating efficiencies. In 1998, under full consolidation accounting for Stag, excise taxes are shown as a deduction from gross sales, while under the equity method in 1997, excise taxes were included in the cost of beer purchased from Stag.

Gross profit as a percentage of net sales was 36.3% for 1998, an increase of 40 basis points vs. 1997, primarily reflecting productivity improvements.

Marketing, Distribution and Administrative Expenses

Marketing, distribution and administrative expenses for 2000 were $2.17 billion, an increase of $28 million, or 1.3% vs. 1999. The increase in these expenses in 2000 is due to higher marketing expenses for the domestic beer segment, higher one-time marketing costs for the entertainment segment related to the opening of the Discovery Cove park and higher general and administrative costs, partially offset by lower international beer marketing expenses in Japan due to the conversion of the company's joint venture.

Marketing, distribution and administrative expenses for 1999 were $2.15 billion compared with $1.96 billion for 1998, an increase of $189 million, or 9.7%. The increase is primarily attributable to higher domestic marketing and sales promotion spending in support of the Bud Family, increased spending on consumer awareness and education programs and higher general and administrative costs.

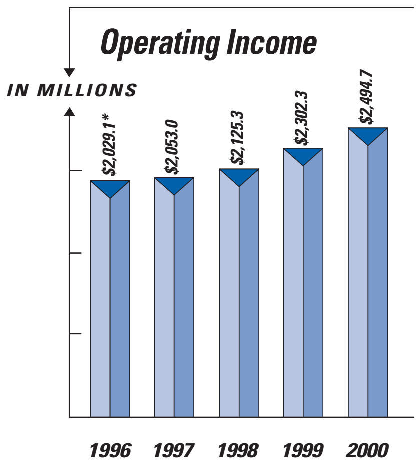
Marketing, distribution and administrative expenses for 1998 increased $42 million, or 2.2%, compared to 1997 expenses of $1.92 billion. The increase is primarily due to higher domestic and international marketing expense in support of premium brands, primarily the Bud Family.

Operating Income

Operating income represents the measure of the company's financial performance before net interest cost, other nonoperating items and equity income.

Operating income in 2000 grew $192.4 million, or 8.4% compared to 1999, primarily due to the domestic beer company's strong revenue per barrel and volume performance as well as good results from international beer operations.

The international beer segment's net income in 2000 increased 51.7% compared to 1999, due to the strong performance by Grupo Modelo and improved international operating results. International beer operating profits in 2000, excluding Modelo, improved compared to 1999 on volume gains in China and lower costs in Japan due to the conversion of the company's joint venture into an exclusive licensing agreement.



Normalized results, excluding one-time gain from the sale of the St. Louis Cardinals. Reported operating income for 1996, which includes the gain on the Cardinals sale, was $2,083.8.

Packaging segment operating profits were down $62 million, or 41.4% for 2000 compared to 1999, reflecting lower conversion pricing on Metal Container's beer and soft drink can sales and a $14 million adjustment related to prior year accounting errors at the company's label manufacturing business in Clarksville, Tennessee. Entertainment segment operating results, excluding start-up costs associated with Discovery Cove, were up 7.6% for the year due primarily to strong attendance in the Florida market. Discovery Cove successfully began operations in July 2000.

Operating income for 1999 was $2.30 billion, an increase of $177 million, or 8.3%, compared to 1998. The increase in operating income for the year is primarily due to strong domestic beer performance driven by higher domestic beer sales volume and revenue per barrel.

Theme park operating results for 1999 were up slightly from the prior year, excluding start-up costs for the Discovery Cove park.

Performance of the company's packaging operations in 1999 was level with 1998.

Net income for Anheuser-Busch's international beer segment was up 59% in 1999 due to Modelo's strong performance and Anheuser-Busch's increased ownership level in Modelo due to the purchase of an additional 13.25% equity interest in September 1998. However, international beer operating results, which exclude Modelo, declined for the year to a loss of $19.5 million, including one-time costs associated with the termination of the Budweiser production joint venture in Brazil, the impact of a bottle recall in Europe and the conversion of the company's Japan joint venture operation into an exclusive license agreement.

Operating income for 1998 was $2.13 billion, an increase of $72 million, or 3.5%, over 1997. The increase in operating income for 1998 was primarily due to higher domestic beer sales volume and higher operating results from can manufacturing and entertainment, partially offset by weaker results from international beer operations.

Packaging operating income improved in 1998 vs. 1997, due to higher soft drink can volume and reduced costs.

Despite weakness in Florida tourism, entertainment operations had a slight improvement in operating income compared to 1997, due to higher in-park spending.

International beer operating income declined vs. 1997 primarily due to weakness in Japan.

Net Interest Cost

Net interest cost (interest expense less interest income) was $347.1 million for 2000, $303.5 million for 1999 and $285.7 million for 1998, representing increases of 14.4%, 6.2% and 12.8%, respectively, compared to prior years. These increases primarily result from higher average outstanding debt balances compared to prior years, with a lesser impact from higher average interest rates. See the Liquidity and Cash Flows section of this discussion for additional information.

Interest Capitalized

Interest capitalized increased $15.1 million, to $33.3 million in 2000 compared to 1999. Interest capitalized decreased $7.8 million, to $18.2 million for 1999 compared to 1998, and declined $16.1 million in 1998, to $26.0 million compared to 1997. The changes in capitalized interest amounts fluctuate depending on construction-in-progress balances, which are impacted by the timing of capital spending and project completion dates.

Other Income/Expense, Net

Other income/expense, net includes numerous items of a nonoperating nature that do not have a material impact on the company's consolidated results of operations, either individually or in total. The company had net other expense of $1.0 million in 2000, $9.4 million in 1999 and $13.0 million in 1998.

Equity Income, Net

Equity income, net of tax, increased 27%, to $200 million for 2000 compared to 1999, based on Grupo Modelo's strong underlying pricing and volume performance.

Equity income for 1999 increased $72.5 million compared to 1998, to $157.5, due to Modelo's underlying performance and Anheuser-Busch's increased ownership level in Modelo. The company held a 50.2% equity stake in Modelo throughout 1999. This compares to 37% ownership for the first nine months and 50.2% for the last quarter 1998. Additionally, equity income for 1998 was adversely impacted by Mexican peso depreciation and hyperinflation accounting. Hyperinflation accounting ceased January 1, 1999.

The company recognized equity income, net of tax, of $85.0 million during 1998, compared to $50.3 million in 1997. The increase in equity income in 1998 was due to a larger equity share in Modelo and the strong underlying sales volume and operating results for Modelo, partially offset by the impact of hyperinflation accounting. For 1998, equity income percentages compare with 17.7% ownership for the first five months of 1997 and a 37% ownership interest thereafter.

Net Income

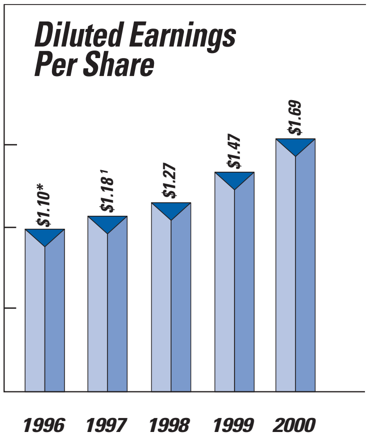
The company earned net income of $1.55 billion in 2000, an increase of $149.4 million, or 10.7%, vs. 1999 net income of $1.40 billion. Net income for 1999 increased $169 million, or 13.7%, vs. the 1998 total of $1.23 billion, an increase of $54 million, or 4.6%, compared to 1997.

The company's effective tax rate was 38.0% in 2000, 1999 and 1998. The 1998 effective rate declined 0.4% vs. 1997, principally due to lower state and foreign taxes and lower nondeductible costs.

Diluted Earnings Per Share

Diluted earnings per share were $1.69 for 2000, an increase of 15.0% vs. 1999 diluted earnings per share. Diluted earnings per share for 1999 were $1.47, an increase of $.20, or 16.2%, compared to 1998 diluted earnings per share of $1.27, which had increased 7.2% compared to 1997. Diluted earnings per share benefit from the company's ongoing share repurchase program. The company repurchased 28.2 million, 37.8 million and 27.8 million common shares in 2000, 1999 and 1998, respectively.

See Note 7 for additional information regarding share repurchases.



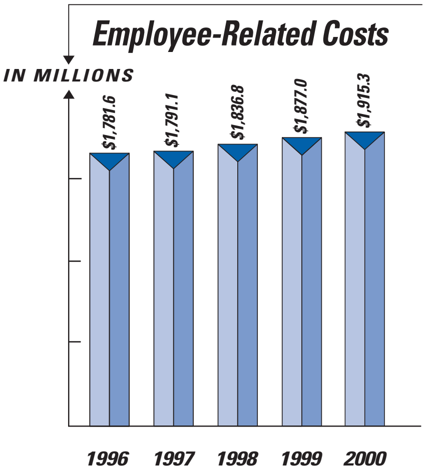
* Normalized results, excluding one-time gain from the sale of the St. Louis Cardinals. Reported diluted earnings per share for 1996, which include the gain on the Cardinals sale, were $1.14.

[1] Before cumulative effect of accounting change.

Employee-Related Costs

Employee-related costs totaled $1.92 billion in 2000, an increase of $38 million, or 2.0%, vs. 1999 costs of $1.88 billion. Employee-related costs for 1999 increased $40 million, or 2.2%, vs. 1998 costs of $1.84 billion, which increased 2.6% vs. 1997. The changes in employee-related costs reflect normal increases in salaries, wages and benefit levels.

Salaries and wages comprise the majority of employee-related costs and totaled $1.58 billion in 2000, an increase of $40 million, or 2.6% vs. 1999. Salaries and wages totaled $1.54 billion in 1999, an increase of $22 million, or 1.4%, compared to $1.52 billion in 1998. Salaries and wages for 1998 increased 2.7% vs. 1997. The remainder of employee-related costs consists of pension, life insurance, and health care benefits and payroll taxes.



Full-time employees numbered 23,725, 23,645 and 24,344 at December 31, 2000, 1999 and 1998, respectively.

Taxes

The company is significantly impacted by federal, state and local taxes, including beer excise taxes. Taxes applicable to 2000 operations (not including the many indirect taxes included in materials and services purchased) totaled $3.1 billion, an increase of $81.4 million, or 2.7%, vs. 1999 total taxes of $3.0 billion, and highlight the burden of taxation on the company and the brewing industry in general. Taxes in 1999 increased 3.9% compared to 1998 total taxes of $2.89 billion, which increased 8.1% compared to 1997.

The increases in taxes in 2000, 1999 and 1998 are primarily due to higher income taxes and beer excise taxes. Taxes for 1998 also reflect consolidation accounting of Stag operations compared to equity accounting in 1997.

Liquidity and Capital Resources

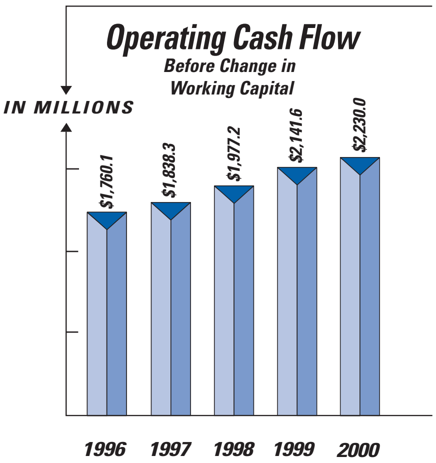
The company's primary sources of liquidity are cash provided from operations and financing activities. Principal uses of cash are capital expenditures, business investments, share repurchases and dividends. Information on the company's consolidated cash flows (categorized by operating activities, financing activities and investing activities) for the years 2000, 1999 and 1998 is presented in the Consolidated Statement of Cash Flows and Note 11.

Operating Cash Flow

Anheuser-Busch's strong financial profile allows it to pursue its growth strategies while providing substantial direct returns to shareholders. Accordingly, the company has established well-defined priorities for its operating cash flow:

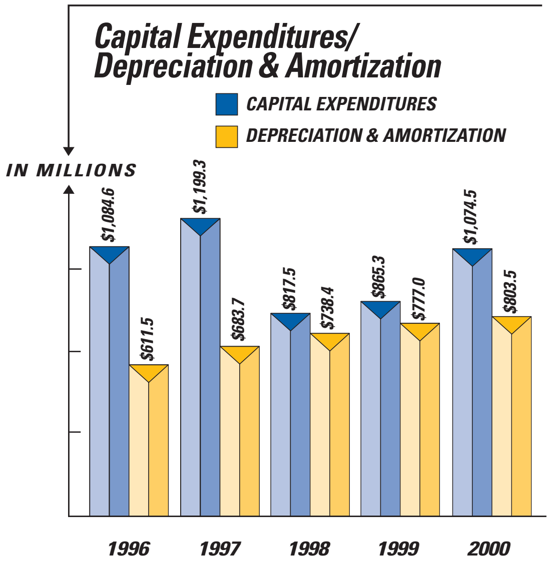
- Reinvest in core businesses to achieve profitable growth. To enhance shareholder value, the company will continue to make investments to improve efficiency and capacity in its existing operations, and make selected equity investments in international brewers in higher growth markets.
- Make substantial cash payments directly to shareholders through consistent dividend growth and the repurchase of common shares. The company has paid cash dividends each of the last 67 years, and has repurchased approximately 3% of outstanding shares annually for the last 10 years.

At December 31, 2000, the company had a working capital deficit of $(127.8), compared to working capital deficits of $(350.4) million at December 31, 1999 and $(89.9) million at December 31, 1998. The company typically operates at a working capital deficit.



Capital Expenditures

During the next five years, the company will continue capital expenditure programs designed to take advantage of growth and productivity improvement opportunities for its beer, packaging and entertainment operations. The company has a formal and intensive review procedure for the authorization of capital expenditures. The most important measure of acceptability of a capital project is its projected discounted cash flow return on investment exceeding the company's cost of capital.



Cash flow from operating activities is projected to exceed the company's funding requirements for anticipated capital expenditures. However, the combination of capital spending, dividend payments and share repurchases, plus possible additional investments in international brewers, may require external financing. The nature, extent and timing of external financing will vary depending upon the company's evaluation of existing market conditions and other economic factors.

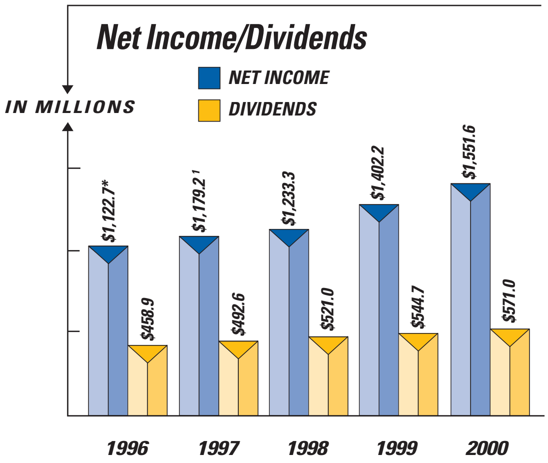
Total capital expenditures in 2000 amounted to $1.1 billion, an increase of $209 million, or 24.2%, compared to 1999 capital spending of $865 million. Capital expenditures over the past five years totaled $5.0 billion. The company expects capital expenditures in 2001 of approximately $950 million and anticipates capital expenditures during the five-year period 2001 - 2005 of approximately $4.5 billion.

Share Repurchase

See Note 7 for a discussion of share repurchase activity.

Dividends

Cash dividends paid to common shareholders were $571.0 million in 2000 and $544.7 million in 1999. Dividends on common stock are paid in the months of March, June, September and December of each year. In the third quarter 2000, effective with the September dividend, the Board of Directors increased the quarterly dividend rate by 10%, from $.15 to $.165 per share of common stock. This increased annual dividends per common share 8.6%, to $.63 in 2000, compared with $.58 per common share in 1999. In 1999 dividends were $.14 per share for the first two quarters and $.15 per share for the last two quarters.



* Normalized results, excluding one-time gain from the sale of the St. Louis Cardinals. Reported net income for 1996, which includes the gain on the Cardinals sale, was $1,156.1.

[1] Before cumulative effect of accounting change.

Financing Activities

The company utilizes Securities and Exchange Commission "shelf" registration statements to provide flexibility and efficiency when obtaining long-term financing. At December 31, 2000, a total of $600 million of debt was available for issuance under existing registrations.

Total debt increased a net $251.6 million in 2000, compared to an increase of $404.3 million in 1999. The change in debt during these years is detailed below, by key component.

Increases in Debt — $803.9 million in 2000 and $994.7 million in 1999, as follows:

Year	Description	Amount (millions)	Interest Rate
2000	**Debentures**	**$400.0**	**$200.0 each at 6.8% and 7.55%, fixed**
	Long-term notes	**$400.0**	**$200.0 each at 6.5% and 7.5%, fixed**
	Industrial revenue bonds	**$3.9**	**Various fixed rates**
1999	Long-term notes	$300.0	5.75%, fixed
	Commercial paper	$627.1	5.1%, weighted average floating
	Industrial revenue bonds	$36.1	Various fixed rates
	Miscellaneous	$31.5	Various fixed rates

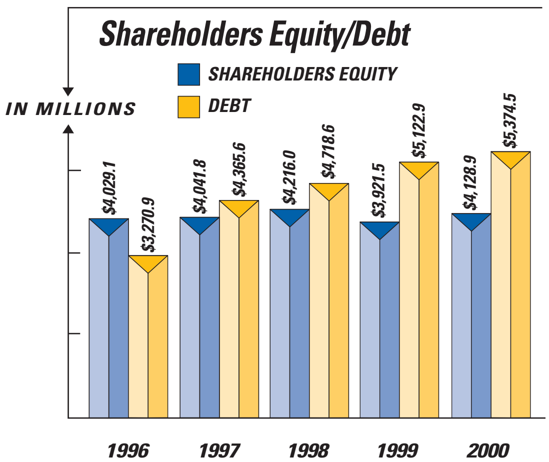
Decreases in Debt — $552.3 million in 2000 and $590.4 million in 1999, as follows:

Year	Description	Amount (millions)	Interest Rate
2000	**Commercial paper**	**$475.1**	**6.2%, weighted average floating**
	ESOP debt guarantee	**$38.3**	**8.25%, fixed**
	Medium-term notes	**$25.0**	**6.75%, weighted average fixed**
	Miscellaneous	**$13.9**	**Various fixed rates**
1999	Dual currency notes	$262.4	Quarterly floating rate
	Long-term notes	$250.0	8.75%, fixed
	Debentures	$23.0	8.5%, fixed
	Medium-term notes	$15.0	7.7%, weighted average fixed
	ESOP debt guarantee	$36.7	8.25%, fixed
	Miscellaneous	$3.3	Various fixed rates

In addition to long-term debt financing, the company has access to the short-term capital market through the utilization of commercial paper and its $2 billion revolving bank credit agreement that expires June 2005. The credit agreement provides the company with an immediate and continuing source of liquidity. No borrowings have been made under the credit agreement since its inception. Also see Note 4.

The company's cash flow to total debt ratio was 41.5% in 2000, 41.8% in 1999 and 41.9% in 1998. The ratio of debt to total capitalization was 56.6% at both December 31, 2000 and 1999. The company's fixed charge coverage ratio was 6.7X, 6.9X, and 6.8X for the years ended December 31, 2000, 1999 and 1998, respectively.

Historically, Anheuser-Busch, Inc. (ABI), the company's domestic beer subsidiary, has been co-obligor on substantially all of the company's senior debt. The co-obligation was originated in connection with the formation of the company as a holding company in 1979, in order to assure that the senior debt issued by the company would not be structurally subordinated to the debt issued by ABI prior to the formation of the holding company. The debt issued by ABI has been retired, making the ABI co-obligations unnecessary. Therefore, effective December 31, 2000, ABI's co-obligations were terminated. Removal of the guarantees had no impact on the company's credit ratings or cost of borrowing.



Common Stock

At December 31, 2000, registered common shareholders numbered 58,614 compared with 60,100 at the end of 1999. See Note 7 for a summary of common stock activity.

Price Range of Common Stock

The company's common stock is listed on the New York Stock Exchange under the symbol "BUD." The following table summarizes 2000 and 1999 quarterly high and low closing prices for BUD.

PRICE RANGE OF ANHEUSER-BUSCH COMMON STOCK (BUD)

	2000		1999	
Quarter	High	Low	High	Low
First	**38.06**	**27.47**	39.22	32.59
Second	**40.66**	**32.69**	39.44	34.47
Third	**44.31**	**38.13**	40.81	34.84
Fourth	**49.81**	**39.63**	38.19	33.34

The closing price of the company's common stock at December 31, 2000 and 1999 was $45.50 and $35.44, respectively. The book value of each common share of stock at December 31, 2000 was $4.57, compared to $4.25 at December 31, 1999.

Systems-Related Year 2000 Costs

The company experienced no operating interruptions or other disturbances due to Year 2000 events. The company resolved its Year 2000 date recognition issues through either the replacement of existing systems with Year 2000-ready-systems or by reprogramming existing systems.

Risk Management

Anheuser-Busch is exposed to foreign currency exchange, interest rate and commodity price risks. These exposures primarily relate to beer sales to foreign customers, purchases from foreign suppliers, royalty receipts from foreign license and contract brewers, acquisition of raw materials from both domestic and foreign suppliers, and changes in interest rates. The company utilizes derivative financial instruments, including forward exchange contracts, futures contracts, swaps and options to manage certain of these exposures. Anheuser-Busch has well-established policies and procedures governing the use of derivatives. The company hedges only firm commitments or anticipated transactions in the ordinary course of business and corporate policy prohibits the use of derivatives for speculation, including the sale of free-standing instruments. The company neither holds nor issues financial instruments for trading purposes.

Specific hedging strategies depend on several factors, including the magnitude and volatility of the exposure, cost of the hedge and availability of appropriate hedging instruments, the anticipated time horizon, commodity basis, opportunity cost and the nature of the item being hedged. The company's overall risk management goal is to strike a balance between managing its exposure to market volatility and obtaining the most favorable transaction costs possible.

Derivatives are either exchange-traded instruments which are highly liquid, or over-the-counter instruments transacted with highly rated financial institutions. No credit loss is anticipated as the counterparties to over-the-counter instruments generally have long-term ratings from Standard & Poor's or Moody's no lower than A+ or A1, respectively. Additionally, counterparty fair value positions favorable to Anheuser-Busch and in excess of certain thresholds are collateralized with cash, U.S. Treasury securities or letters of credit. Anheuser-Busch has reciprocal collateralization responsibilities for fair value positions unfavorable to the company and in excess of certain thresholds. At December 31, 2000, the company held zero counterparty collateral and had none outstanding.

The fair value of derivative financial instruments is the estimated amount the company would receive or have to pay when terminating any contracts. The company also monitors the effectiveness of its hedging structures, based either on cash offset between changes in the value of the underlying hedged exposure and changes in the value of the derivative, or by the correlation between the price of the underlying hedged exposure and the pricing upon which the derivative is based.

Following is a summary indicating potential unfavorable changes in the fair value of the company's derivative holdings under certain market movements. The company applies sensitivity analysis for commodity price exposures and value-at-risk (VAR) analysis for foreign currency and interest rate exposures. It is important to note the volatility analysis ignores changes in the value of the underlying hedged transactions. Because the company does not hold or trade derivatives for speculation or profit, it seeks to establish only highly effective hedging relationships and therefore expects offsetting impacts between derivatives and the underlying hedged transactions.

ESTIMATED FAIR VALUE VOLATILITY AT DEC. 31, 2000 (in millions)	
Foreign Currency Risk (VAR):	
Forwards, Options	**$1.5**
Interest Rate Risk (VAR):	
Swaps	**$0.3**
Commodity Price Risk (Sensitivity):	
Futures, Swaps, Options	**$24.2**

VAR forecasts fair value changes using a statistical model (Monte Carlo simulation method) which incorporates historical correlations among various currencies and interest rates. The VAR model assumes the company could liquidate its currency and interest rate positions in a single day (one-day holding period). The volatility figures provided represent the maximum one-day loss each portfolio could experience for 19 out of every 20 trading days (95% confidence level), based on history.

The sensitivity analysis for commodities reflects the impact of a hypothetical 10% adverse change in the market price for the company's principal commodities.

The volatility of foreign currencies, interest rates and commodity prices is dependent on many factors that cannot be forecasted with accuracy. Therefore, changes in fair value over time could differ substantially from the illustration.

The company adopted FAS 133, "Accounting for Derivative Instruments and Hedging Activity" on January 1, 2001. FAS 133 requires all derivatives to be reported on the balance sheet at fair value, with changes in fair value recognized either in earnings or equity, depending on the nature of the underlying transaction and how effective the derivative is at offsetting price movements in the underlying exposure. All of the company's existing derivative positions qualified for hedge accounting under FAS 133, and the impact of adoption was not material. The company made no substantive changes to its risk management strategy as a result of adopting FAS 133. Derivatives documentation policies were revised as necessary to comply with FAS 133 requirements.

See Notes 1 and 3 for information regarding the company's derivatives portfolio and the related accounting.

Introduction of the Euro

The three-year phase-in of the new common currency of the European Economic and Monetary Union, the "euro," began on January 1, 1999. Prior to introduction, the company made appropriate arrangements with key financial institutions to ensure smooth handling of euro receipts and disbursements. The company's financial systems accommodated the initial euro introduction. Full systems euro readiness is anticipated to be achieved by December 2001 through normal systems maintenance and upgrades.

Significant Non-U.S. Equity Investments

Grupo Modelo

In September 1998, the company completed the purchase of an additional 13.25% of Diblo, S.A. de C.V., the operating subsidiary of Grupo Modelo, S.A. de C.V., Mexico's largest brewer and leading exporter of beer. The purchase price was $556.5 million, which brought Anheuser-Busch's total investment in Modelo to $1.6 billion. The additional investment increased Anheuser-Busch's total direct and indirect holdings in Diblo to 50.2%. The increase in ownership did not give Anheuser-Busch voting or other effective control of either Grupo Modelo or Diblo and, accordingly, the company accounts for its investment on the equity basis. The company first adopted the equity method of accounting when ownership was increased from 17.7% to 37% in May 1997.

The economic benefit of the company's Modelo investment can be measured in two ways — Anheuser-Busch's share in the earnings of Modelo (equity income) and the excess of the fair value of the investment over its carrying value. The excess of fair value over carrying value, based on Grupo Modelo's closing stock price on the Mexican stock exchange at December 31, 2000, was $4.0 billion. Although this amount is appropriately not reflected in the company's income statement or balance sheet, it represents economic value to Anheuser-Busch and its shareholders.

Throughout 1998, Mexico was considered hyperinflationary for U.S. accounting purposes. Under hyperinflation accounting, the company effectively recognized in earnings the impact of Mexican peso depreciation on its investment during 1998, which was unfavorable. The Mexican economy ceased to be hyperinflationary for U.S. accounting purposes on January 1, 1999. Translation adjustments are now appropriately reflected in other comprehensive income (equity) rather than earnings.

CCU

In January 2001, the company purchased a 17% equity interest in Compañía Cervecerías Unidas S.A. (CCU), the largest brewer in Chile, for approximately $270 million. Anheuser-Busch has partnered with CCU in Argentina for five years through the company's equity ownership in CCU-Argentina, a CCU subsidiary that contract brews and distributes Budweiser in Buenos Aires and other markets.

The investment in CCU is consistent with Anheuser-Busch's strategy to expand the company's presence in Latin America. The South American beer market is 117 million barrels and has experienced strong growth as economic fundamentals improve and disposable income increases. Also see Note 2.

Antarctica

In April 1996, the company purchased a 5% equity stake in a subsidiary, ANEP, controlling 75% of the operations of Companhia Antarctica Paulista (Antarctica), one of Brazil's leading brewers. The investment agreement provided the company with options allowing it to increase its investment to approximately 30% of ANEP. The first of the options was set to expire in September 1999, but was determined to be no longer economically attractive for Anheuser-Busch. Accordingly, the company exercised its right to end its equity partnership with Antarctica in July 1999. Also see Note 2.

Corporate Matters

Status of Labor Negotiations

On August 7, 1999, Teamsters-represented employees at the company's 12 U.S. breweries approved a new five-year national contract offer by a margin of 59% to 41%. The proposed agreement had been endorsed by the Director of the Teamsters Brewery and Soft Drink Workers Conference and by its terms will expire February 28, 2004. Certain local issues remained unresolved in August 1999, and both the company and the Teamsters had previously stated that there could be no final agreement, and the approved national contract could not go into effect, until agreement was reached on all national and local issues.

In October 2000, the company was notified by Teamsters officials that the remaining local issues had been ratified. However, the offer stipulates the final contract cannot be signed until all National Labor Relations Board (NLRB) charges and other pending court cases are resolved. As a result, the company continues to operate its breweries under the terms of the offer implemented in September 1998. Anheuser-Busch and Teamsters officials have met to discuss the NLRB and other cases.

The approved national contract includes wage and benefit increases, as well as provisions to support productivity improvement, promote workplace flexibility, reduce absenteeism, improve the grievance procedure and institute a more effective drug-testing program. Additionally, Anheuser-Busch has reaffirmed its commitment, contingent with the approved contract going into effect, to keep all 12 of its U.S. breweries open during the life of the contract, barring an unforeseen event, providing its Teamsters-represented employees with unprecedented job security.

SeaWorld Cleveland

In February 2001, the company sold its SeaWorld Cleveland adventure park to Six Flags, Inc. for $110 million in cash, and recognized a pretax gain of approximately $18 million in the first quarter 2001. The sale did not include killer whales or dolphins or any rights to the SeaWorld name. Anheuser-Busch will continue to operate and support its remaining U.S. theme parks.

Environmental Issues

The company is subject to federal, state and local environmental protection laws and regulations and is operating within such laws or is taking action aimed at assuring compliance with such laws and regulations. Compliance with these laws and regulations is not expected to materially affect the company's competitive position. None of the Environmental Protection Agency (EPA) designated cleanup sites for which Anheuser-Busch has been identified as a Potentially Responsible Party (PRP) would have a material impact on the company's consolidated financial statements.

The company is strongly committed to environmental protection. Its Environmental Management System provides specific guidance for how the environment must be factored into business decisions and mandates special consideration of environmental issues in conjunction with other business issues when any of the company's facilities or business units plans capital projects or changes in processes. Anheuser-Busch also encourages its suppliers to adopt similar environmental management practices and policies.

Management's Responsibility for Financial Statements

The management of Anheuser-Busch Companies is responsible for the preparation and presentation of the financial statements and other financial information included in this annual report. Management is also responsible for the reasonableness of estimates and judgments inherent in the preparation of the financial statements. These statements are prepared in accordance with accounting principles generally accepted in the U.S.

It is management's responsibility to ensure the company maintains accounting and reporting systems, supported by a system of internal accounting controls, designed to provide reasonable assurance as to the integrity of the underlying financial records and the protection of assets. These systems include written policies and procedures, selection and training of qualified personnel, organizational segregation of duties and a program of internal reviews and appropriate follow-up.

Management believes the company's systems are adequate to provide reasonable assurances that assets are safeguarded against loss from unauthorized use or disposition and financial records are reliable for preparing financial statements. During 2000, the company's internal auditors, in conjunction with PricewaterhouseCoopers LLP, the company's independent accountants, performed a comprehensive review of the adequacy of the company's internal accounting control system. Based on that comprehensive review, it is management's opinion that the company has an effective system of internal accounting control.

The Board of Directors is responsible for ensuring the independence and qualifications of Audit Committee members under applicable New York Stock Exchange guidelines. The Audit Committee of the Board of Directors, which consists of five non-management directors, oversees the company's financial reporting and internal control systems, recommends selection of the company's independent accountants to the Board of Directors and meets with management, the independent accountants and internal auditors to review auditing and financial reporting matters. The Committee held five meetings during 2000.

The Audit Committee charter can be found in the company's Proxy Statement.

PricewaterhouseCoopers LLP is responsible for conducting an independent examination of the company's financial statements in accordance with auditing standards generally accepted in the U.S., and expressing an opinion as to whether the financial statements fairly present the company's financial position, operating results, cash flows and changes in shareholders equity.

Report of Independent Accountants

800 Market Street
St. Louis, MO 63101

PRICEWATERHOUSECOOPERS

February 6, 2001

To the Shareholders and Board of Directors
of Anheuser-Busch Companies, Inc.

We have audited the accompanying Consolidated Balance Sheet of Anheuser-Busch Companies, Inc. and its subsidiaries as of December 31, 2000 and 1999, and the related Consolidated Statements of Income, Changes in Shareholders Equity and Cash Flows for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the Consolidated Financial Statements audited by us present fairly, in all material respects, the financial position of Anheuser-Busch Companies, Inc. and its subsidiaries at December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

CONSOLIDATED BALANCE SHEET

Anheuser-Busch Companies and Subsidiaries

YEAR ENDED DECEMBER 31 (in millions)	2000	1999
Assets		
Current Assets:		
Cash and marketable securities	**$ 159.9**	$ 152.1
Accounts and notes receivable	**600.4**	629.0
Inventories:		
Raw materials and supplies	**347.3**	378.2
Work in process	**82.9**	84.7
Finished goods	**178.1**	160.9
Total inventories	**608.3**	623.8
Other current assets	**179.3**	195.7
Total current assets	**1,547.9**	1,600.6
Investments in affiliated companies	**2,207.4**	2,012.5
Other assets	**1,085.4**	1,062.7
Plant and equipment, net	**8,243.8**	7,964.6
Total Assets	**$13,084.5**	$12,640.4
Liabilities and Shareholders Equity		
Current Liabilities:		
Accounts payable	**$ 940.8**	$ 932.6
Short-term debt	**—**	242.3
Accrued salaries, wages and benefits	**276.4**	248.4
Accrued taxes	**127.4**	164.2
Other current liabilities	**331.1**	363.5
Total current liabilities	**1,675.7**	1,951.0
Postretirement benefits	**492.7**	506.4
Long-term debt	**5,374.5**	4,880.6
Deferred income taxes	**1,372.9**	1,344.7
Other long-term liabilities	**39.8**	36.2
Common Stock and Other Shareholders Equity:		
Common stock, $1.00 par value, authorized 1.6 billion shares	**1,441.5**	716.1
Capital in excess of par value	**725.3**	1,241.0
Retained earnings	**10,164.4**	9,181.2
Accumulated other comprehensive income:		
Foreign currency translation adjustment	**(212.3)**	(175.0)
	12,118.9	10,963.3
Treasury stock, at cost	**(7,817.8)**	(6,831.3)
ESOP debt guarantee	**(172.2)**	(210.5)
	4,128.9	3,921.5
Commitments and contingencies	**—**	—
Total Liabilities and Shareholders Equity	**$13,084.5**	$12,640.4

The Notes on pages 44-55 of this report are an integral component of the company's consolidated financial statements.

CONSOLIDATED STATEMENT OF INCOME

Anheuser-Busch Companies and Subsidiaries

YEAR ENDED DECEMBER 31 (in millions, except per share)	2000	1999	1998
Sales	**$14,296.6**	$ 13,723.3	$13,207.9
Excise taxes	**(2,034.8)**	(2,019.6)	(1,962.1)
Net sales	**12,261.8**	11,703.7	11,245.8
Cost of products and services	**(7,592.3)**	(7,254.4)	(7,162.5)
Gross profit	**4,669.5**	4,449.3	4,083.3
Marketing, distribution and administrative expenses	**(2,174.8)**	(2,147.0)	(1,958.0)
Operating income	**2,494.7**	2,302.3	2,125.3
Interest expense	**(348.2)**	(307.8)	(291.5)
Interest capitalized	**33.3**	18.2	26.0
Interest income	**1.1**	4.3	5.8
Other expense, net	**(1.0)**	(9.4)	(13.0)
Income before income taxes	**2,179.9**	2,007.6	1,852.6
Provision for income taxes	**(828.3)**	(762.9)	(704.3)
Equity income, net of tax	**200.0**	157.5	85.0
Net income	**$ 1,551.6**	$ 1,402.2	$ 1,233.3
Earnings per share:			
Basic	**$ 1.71**	$ 1.49	$ 1.28
Diluted	**$ 1.69**	$ 1.47	$ 1.27

The Notes on pages 44-55 of this report are an integral component of the company's consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

Anheuser-Busch Companies and Subsidiaries

YEAR ENDED DECEMBER 31 (in millions, except per share)	2000	1999	1998
Common Stock			
Balance, beginning of period	**$ 716.1**	$ 712.7	$ 709.3
Shares issued under stock plans	**6.4**	3.4	3.4
Two-for-one stock split	**719.0**	—	—
Balance, end of period	**$ 1,441.5**	$ 716.1	$ 712.7
Capital in Excess of Par Value			
Balance, beginning of period	**$ 1,241.0**	$ 1,117.5	$ 1,017.0
Shares issued under stock plans	**203.3**	123.5	100.5
Two-for-one stock split	**(719.0)**	—	—
Balance, end of period	**$ 725.3**	$ 1,241.0	$ 1,117.5
Retained Earnings			
Balance, beginning of period	**$ 9,181.2**	$ 8,320.7	$ 7,604.9
Net income	**1,551.6**	1,402.2	1,233.3
Common dividends paid (per share: 2000 - $.63; 1999 - $.58; 1998 - $.54)	**(571.0)**	(544.7)	(521.0)
Shares issued under stock plans	**2.6**	3.0	3.5
Balance, end of period	**$10,164.4**	$ 9,181.2	$ 8,320.7
Treasury Stock			
Balance, beginning of period	**$ (6,831.3)**	$(5,482.1)	$(4,793.3)
Treasury stock acquired	**(986.5)**	(1,349.2)	(688.8)
Balance, end of period	**$ (7,817.8)**	$(6,831.3)	$(5,482.1)
ESOP Debt Guarantee			
Balance, beginning of period	**$ (210.5)**	$ (247.2)	$ (282.1)
Annual debt service	**38.3**	36.7	34.9
Balance, end of period	**$ (172.2)**	$ (210.5)	$ (247.2)
Accumulated Other Comprehensive Income			
Balance, beginning of period	**$ (175.0)**	$ (205.6)	$ (214.0)
Foreign currency translation adjustment	**(37.3)**	30.6	8.4
Balance, end of period	**$ (212.3)**	$ (175.0)	$ (205.6)
Total Shareholders Equity	**$ 4,128.9**	$ 3,921.5	$ 4,216.0
Comprehensive Income			
Net income	**$ 1,551.6**	$ 1,402.2	$ 1,233.3
Foreign currency translation adjustment	**(37.3)**	30.6	8.4
Total Comprehensive Income	**$ 1,514.3**	$ 1,432.8	$ 1,241.7

The Notes on pages 44-55 of this report are an integral component of the company's consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Anheuser-Busch Companies and Subsidiaries

YEAR ENDED DECEMBER 31 (in millions)	2000	1999	1998
Cash Flow from Operating Activities:			
Net income	**$ 1,551.6**	$ 1,402.2	$ 1,233.3
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization	**803.5**	777.0	738.4
Deferred income taxes	**28.7**	40.3	34.5
Undistributed earnings of affiliated companies	**(185.2)**	(155.5)	(53.7)
Other, net	**31.4**	77.6	24.7
Operating cash flow before change in working capital	**2,230.0**	2,141.6	1,977.2
Decrease/(increase) in working capital	**27.5**	(5.8)	236.2
Cash provided by operating activities	**2,257.5**	2,135.8	2,213.4
Cash Flow from Investing Activities:			
Capital expenditures	**(1,074.5)**	(865.3)	(817.5)
New business acquisitions	**(42.9)**	(7.0)	(566.5)
Proceeds from sale of business	**—**	59.6	—
Cash used for investing activities	**(1,117.4)**	(812.7)	(1,384.0)
Cash Flow from Financing Activities:			
Increase in debt	**803.9**	973.4	451.5
Decrease in debt	**(514.0)**	(553.7)	(63.6)
Dividends paid to shareholders	**(571.0)**	(544.7)	(521.0)
Acquisition of treasury stock	**(986.5)**	(1,349.2)	(688.8)
Shares issued under stock plans	**135.3**	78.4	70.0
Cash used for financing activities	**(1,132.3)**	(1,395.8)	(751.9)
Net increase/(decrease) in cash during the year	**7.8**	(72.7)	77.5
Cash, beginning of year	**152.1**	224.8	147.3
Cash, end of year	**$ 159.9**	$ 152.1	$ 224.8

The Notes on pages 44-55 of this report are an integral component of the company's consolidated financial statements.

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Principles and Policies

This summary of the significant accounting principles and policies of Anheuser-Busch Companies, Inc. and its subsidiaries is presented to assist in evaluating the company's Consolidated Financial Statements included in this annual report. These principles and policies conform to U.S. generally accepted accounting principles. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires that management make certain estimates and assumptions about the future which impact the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates and assumptions.

Revenue Recognition

The company recognizes revenue only when title transfers, or services have been rendered to unaffiliated customers. For beer, title transfers on shipment. For cans and lids, title transfers on customer receipt. The company's beer and packaging operations do not engage in consignment sales. Entertainment operations recognize revenue related to advance ticket sales when customers actually visit a park location. The company's revenue recognition practices are in compliance with SEC Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements."

Principles of Consolidation

The Consolidated Financial Statements include the company and all its subsidiaries. The company generally consolidates all majority-owned and controlled subsidiaries, accounts for investments below the 20% level under the cost method, and applies the equity method of accounting for investments between 20% and 50%. All significant intercompany transactions have been eliminated. Minority interests in consolidated subsidiaries are not material.

Foreign Currency Translation

Financial statements of foreign operations where the local currency is the functional currency are translated using period-end exchange rates for assets and liabilities, and weighted average exchange rates during the period for the results of operations. Translation adjustments are reported as a separate component of other comprehensive income within shareholders equity. Translation practice differs for foreign operations in hyperinflationary economies. See Note 2 for additional discussion.

Exchange rate adjustments related to foreign currency transactions are recognized in income as incurred.

Cash and Marketable Securities

Cash and marketable securities include cash, demand deposits and short-term investments with initial maturities generally of 90 days or less.

Excess of Cost Over Net Assets of Acquired Businesses (Goodwill)

The excess of the cost over the net assets of acquired businesses, which is included in other assets on the balance sheet, is amortized on a straight-line basis over a period of 40 years. Accumulated goodwill amortization at December 31, 2000 and 1999 was $145.8 million and $131.7 million, respectively. The ongoing recoverability of goodwill is monitored based on applicable operating unit performance and consideration of significant events or changes in the overall business environment. See Note 11 for additional information.

Inventories and Production Costs

Inventories are valued at the lower of cost or market. Cost is determined under the last-in, first-out method (LIFO) for approximately 75% of total inventories at December 31, 2000 and 1999. Average cost valuation is used for the remainder. Had average cost (which approximates replacement cost) been used for all inventories at December 31, 2000 and 1999, total inventories would have been $89.9 million and $83.3 million higher, respectively.

Fixed Assets

Fixed assets are carried at cost and include expenditures for new facilities and expenditures which substantially increase the useful lives of existing facilities. The cost of maintenance, repairs and minor renewals is expensed as incurred. When fixed assets are retired or otherwise disposed, the cost and related accumulated depreciation are eliminated, and any gain or loss on disposition is recognized in earnings.

Depreciation is provided using the straight-line method based on the following weighted average useful lives: buildings, 25 years; production machinery and equipment, 15 years; furniture and fixtures, 10 years; computer equipment, 3 years.

Income Taxes

The provision for income taxes is based on income and expense amounts as reported in the Consolidated Statement of Income. The company utilizes certain provisions of federal, state and foreign income tax laws and regulations to reduce current taxes payable. Deferred income taxes are recognized for the effect of temporary differences between financial and tax reporting in accordance with the requirements of FAS No. 109, "Accounting for Income Taxes."

Derivative Financial Instruments

All derivative instruments held by the company are designated as hedges, have high correlation with the underlying exposure and are highly effective in offsetting underlying price movements. Accordingly, gains and losses from changes in derivative fair values are deferred until the underlying transaction occurs. Gains or losses are then recognized in the income statement or recorded as part of the underlying asset or liability, depending on the circumstances. Derivative positions are settled if the underlying transaction is no longer expected to occur, with related gains and losses recognized in earnings in the period settlement occurs. Option premiums paid are recorded as assets and expensed over the life of the option. Derivatives generally have initial terms of less than three years, and all currently hedged transactions are expected to occur within the next three years.

See Note 3 for additional information regarding the company's derivative holdings.

Research and Development Costs, Advertising and Promotional Costs, and Initial Plant Costs

Research and development costs, advertising and promotional costs, and initial plant costs are expensed as incurred. Advertising and promotional expenses were $728.3 million, $721.8 million and $642.1 million in 2000, 1999 and 1998, respectively. Research and development and initial plant costs were not material for any year presented.

Start-Up Costs

Effective January 1, 1999, the company adopted SOP 98-5, "Reporting on the Costs of Start-Up Activities," which requires the costs of start-up activities to be expensed as incurred. Initial adoption of SOP 98-5 required no significant changes to the company's accounting policies and had no impact on the results of operations.

Systems Development Costs

The company capitalizes certain systems development costs that meet established criteria, in accordance with SOP 98-1, "Accounting for the Costs of Computer Systems Developed or Obtained for Internal Use." Amounts capitalized are amortized to expense on a straight-line basis over five years. Systems development costs not meeting the criteria in SOP 98-1, including systems reengineering, are expensed as incurred.

Stock-Based Compensation

The company accounts for employee stock options in accordance with APB 25, "Accounting for Stock Issued to Employees." Under APB 25, the company recognizes no compensation expense related to employee stock options, since options are always granted at a price equal to the market price on the day of grant. See Note 5 for additional information on the company's stock options plus pro forma disclosures required by FAS 123, "Accounting for Stock-Based Compensation."

Common Stock Split

All share and per share amounts have been adjusted to reflect the two-for-one stock split distributed September 18, 2000.

2. International Investments

Grupo Modelo

From 1993 to 1998, Anheuser-Busch accumulated a 50.2% direct and indirect equity interest in Diblo, S.A. de C.V. (Diblo), the operating subsidiary of Grupo Modelo, S.A. de C.V. (Modelo), Mexico's largest brewer and producer of the Corona brand, for a total of $1.6 billion. The company holds 10 of 21 positions on Modelo's Board of Directors. Anheuser-Busch does not have voting or other effective control of either Diblo or Modelo and therefore accounts for its investment using the equity method.

Included in the carrying amount of the Modelo investment is goodwill of $586.7 million and $541.4 million, respectively, at December 31, 2000 and 1999 which is being amortized over 40 years. Accumulated amortization was $44.0 million and $29.2 million, respectively, at December 31, 2000 and 1999.

Dividends received from Grupo Modelo in 2000 totaled $23.9 million, compared to $2.9 million in 1999 and $50.3 million in 1998.

For foreign operations in countries whose economies are considered highly inflationary, foreign currency translation practice under FAS No. 52, "Foreign Currency Translation," requires that property, other long-lived assets, long-term liabilities and related profit and loss accounts be translated at historical rates of exchange. Additionally, net monetary asset and liability related translation adjustments must be included in earnings in the current period. Mexico's economy was considered highly inflationary for accounting purposes for all of 1998. Accordingly, all monetary translation gains and losses related to the Modelo investment were recognized in equity income that year.

Summary financial information for Grupo Modelo as of, and for the two years ended December 31, is presented in the following table (in millions). The amounts shown represent consolidated Grupo Modelo operating results and financial position based on U.S. generally accepted accounting principles, and include the impact of Anheuser-Busch's purchase accounting adjustments.

	2000	1999
Current assets	**$1,375.2**	$ 1,156.3
Noncurrent assets	**3,610.5**	3,322.3
Current liabilities	**310.7**	262.3
Noncurrent liabilities	**557.3**	328.0
Gross sales	**3,129.9**	2,576.3
Net sales	**2,919.1**	2,405.4
Gross profit	**1,543.8**	1,209.8
Minority interest	**46.3**	48.7
Net income	**405.0**	333.5

Other International Investments

From April 1996 to July 1999, the company owned a 5% equity stake in a subsidiary controlling approximately 75% of the operations of the Brazilian brewer Antarctica. Because Anheuser-Busch had the ability to exercise significant influence as a result of Board of Directors representation and other minority rights acquired in its investment agreement, the company applied the equity method of accounting for the investment in Antarctica beginning in 1997. The company exercised its rights under the investment agreement and ended its equity partnership with Antarctica in July 1999 by selling its ownership position back to Antarctica at original cost. There was no earnings impact associated with the divestiture.

Simultaneous with the divestiture, Anheuser-Busch discontinued its joint venture with Antarctica for the production, sale and distribution of Budweiser in Brazil. The pretax cost of discontinuing Budweiser production in Brazil was approximately $6 million and is included in 1999 operating results. The company now exports Budweiser to Brazil.

In January 2001, the company purchased a 17% equity interest in Compañía Cervecerías Unidas S.A. (CCU), the largest brewer in Chile, for approximately $270 million. CCU imports and distributes Budweiser in Chile. Anheuser-Busch will have Board of Directors representation and the ability to exercise significant influence. As such, the company will account for the investment using the equity method.

In 1996, Anheuser-Busch purchased a 4.5% interest in the Argentine subsidiary of CCU, CCU-Argentina, with options to increase its investment to 20%. In both December 1998 and December 1999, the company exercised a portion of its options and purchased an additional 3.8% and 2.5%, for $10 million and $7 million, respectively, bringing the company's total ownership to 10.8%. The company's remaining options expire in December 2002. CCU-Argentina brews Budweiser under license and sells the brand in Buenos Aires and other major Argentine markets, Chile and Paraguay.

The CCU-Argentina investment was accounted for on the cost basis through 2000. As a result of the 17% acquisition of CCU, Anheuser-Busch now owns a 26% direct and indirect interest in CCU-Argentina. The company will use the equity method of accounting beginning in 2001. The difference between income recognized on the cost basis for CCU-Argentina and what would have been recognized had equity accounting been applied in prior years is not material.

In the fourth quarter 1998, the company restructured the sales force and made other organizational changes at its 90%-owned Japanese joint venture subsidiary. Total pretax cost of the restructuring was almost $9 million, primarily for severance benefits for workforce reductions, and is included in 1998 operating results. Effective January 2000, the company converted its joint venture operation into an exclusive license agreement with Kirin Brewing Company, Ltd. for the production and sale of Budweiser in Japan. The pretax cost of converting to the license agreement was approximately $9 million, primarily for severance benefits, and is included in 1999 operating results.

The company owns and consolidates the operating results of the Wuhan brewery in the People's Republic of China and the Stag brewery in Mortlake, England.

3. Derivatives and Other Financial Instruments

The company currently uses the following derivative financial instruments: purchased options and forward contracts for foreign currency risk; swaps for interest rate risk; and futures, swaps and purchased options for commodity price risk. At December 31, 2000, derivatives other than option premiums were off-balance-sheet and therefore had no recorded carrying value. Because the company hedges only with derivatives that have high correlation with the underlying transaction pricing, changes in derivatives fair values and the underlying pricing largely offset.

The following table summarizes the notional transaction amounts and fair values for outstanding derivatives, by risk category and instrument type, at December 31, (in millions). Bracketed figures indicate settlement of the derivatives contract without concluding the underlying hedged transaction would be unfavorable to Anheuser-Busch. In practice, this rarely occurs.

	2000		1999	
	Notional Amount	*Fair Value*	*Notional Amount*	*Fair Value*
Foreign Currency:				
Forwards	**$ 71.0**	**$ (2.8)**	$ 150.9	$ 4.0
Options	**96.7**	**2.1**	94.1	(.7)
	167.7	**(0.7)**	245.0	3.3
Interest Rate:				
Swaps	**762.8**	**13.0**	562.8	6.5
Commodity Price:				
Swaps	**216.0**	**1.7**	92.4	4.5
Futures	**53.6**	**4.0**	40.1	(3.0)
Options	**489.8**	**35.8**	559.6	64.5
	759.4	**41.5**	692.1	66.0
Total outstanding derivatives	**$1,689.9**	**$ 53.8**	$ 1,499.9	$ 75.8

The interest rate swap and currency exchange agreement related to the dual-currency notes described in Note 4 is included as an interest rate swap in the preceding table. This agreement is an integral part of a dual-currency note structure which provides the company with floating-rate financing at below-market rates.

The company has long exposure to the British pound sterling, Irish punt, Mexican peso and Canadian dollar. The company's exposures to other currencies are essentially short, primarily for German mark-denominated purchases of hops. Long exposure indicates the company has foreign currency in excess of its needs, while a short exposure indicates the company requires additional foreign currency to meet its needs.

For commodity derivatives, as a net user of raw materials, the company's underlying price exposure is short, indicating additional quantities must be obtained to meet anticipated production requirements.

Not all of the company's foreign exchange, interest rate or commodity price exposures have been hedged with derivatives.

Concentration of Credit Risk

The company does not have a material concentration of credit risk.

Nonderivative Financial Instruments

Nonderivative financial instruments included in the balance sheet are cash, accounts and notes receivable and short- and long-term debt. Accounts and notes receivable include allowances for doubtful accounts of $8.2 million in 2000 and $6.4 million in 1999. The fair value of long-term debt, based on future cash flows discounted at interest rates currently available to the company for debt with similar maturities and characteristics, was $5.5 billion and $4.8 billion at December 31, 2000 and 1999, respectively.

New Accounting Standard for Derivatives and Hedging Activities

FAS No. 133, "Accounting for Derivative Instruments and Hedging Activity," was issued in June 1998. The Standard was amended in June 1999 to delay its required adoption date for the company until January 1, 2001. FAS 133 requires all derivative financial instruments to be reported on the balance sheet at fair value. Changes in fair value are recognized either in earnings or equity, depending on the nature of the underlying exposure being hedged and how effective the derivative is at offsetting price movements in the underlying exposure.

As required, the company adopted FAS 133 on January 1, 2001. All of the company's existing derivative positions qualified for hedge accounting under FAS 133 and the impact of adoption was not material. Foreign currency and interest rate hedges are primarily classified as fair value hedges while commodity price hedges are principally cash flow hedges. The company made no substantive changes to its risk management strategy as a result of adopting FAS 133. Derivatives documentation policies were revised as necessary to comply with FAS 133 requirements.

4. Debt

Debt at December 31, consisted of the following (in millions):

	2000	1999
Commercial paper (weighted average interest rates of 6.2% in 2000 and 5.1% in 1999)	**$ 767.2**	$1,242.3
Medium-term Notes Due 2001 (interest rates from 5.1% to 8.0%)	**7.5**	32.5
4.1% Japanese yen/U.S. dollar Notes Due 2001	**162.8**	162.8
6.9% Notes Due 2002	**200.0**	200.0
6.75% Notes Due 2003	**200.0**	200.0
6.5% EuroNotes Due 2004	**200.0**	—
6.75% Notes Due 2005	**200.0**	200.0
7% Notes Due 2005	**100.0**	100.0
6.75% Notes Due 2006	**250.0**	250.0
7.1% Notes Due 2007	**250.0**	250.0
5.125% Notes Due 2008	**100.0**	100.0
5.375% Notes Due 2008	**100.0**	100.0
5.65% Notes Due 2008	**100.0**	100.0
9% Debentures Due 2009	**350.0**	350.0
5.75% Notes Due 2010	**150.0**	150.0
5.75% Notes Due 2011	**150.0**	150.0
7.5% Notes Due 2012	**200.0**	—
7.25% Debentures Due 2015	**150.0**	150.0
7.125% Debentures Due 2017	**250.0**	250.0
7.375% Debentures Due 2023	**200.0**	200.0
7% Debentures Due 2025	**200.0**	200.0
6.75% Debentures Due 2027	**100.0**	100.0
6.5% Debentures Due 2028	**100.0**	100.0
7.55% Debentures Due 2030	**200.0**	—
6.80% Debentures Due 2031	**200.0**	—
Industrial Revenue Bonds (interest rates from 5.6% to 7.4%)	**252.3**	248.3
8.25% ESOP Debt Guarantee	**172.2**	210.5
Other long-term debt	**62.5**	76.5
Total debt	**$5,374.5**	$5,122.9

The company uses Securities and Exchange Commission shelf registrations to maintain debt issuance flexibility and currently has $600 million in registered debt available for issuance.

Gains/losses on debt redemptions (either individually or in the aggregate) are not material for any year presented.

Currency and interest rate exposures related to the 4.1% Japanese yen/U.S. dollar Notes have been transferred to a third party through swap agreements. The notes are redeemable in U.S. dollars.

The effective interest rate on the company's $200 million 6.9% Notes was lowered via a dual-swap structure in October 1999. In January 2001, the company's counterparty exercised its option to redeem the fixed-to-floating portion of the swap structure. The company in turn called the 6.9% Notes in January 2001. There was no earnings impact to the company. The floating-to-fixed portion of the swap will remain as a hedge of commercial paper.

The company has in place a single, committed revolving credit agreement totaling $2 billion, expiring in June 2005, which supports the company's commercial paper program. At December 31, 2000 and 1999, the company had no outstanding borrowings under the agreement. Annual fees under the agreement were $900,000 in 2000 and $600,000 for 1999 and 1998.

Commercial paper borrowings classified as long-term are supported on a long-term basis by the $2 billion revolving credit agreement. Commercial paper borrowings in excess of $2 billion are classified as short-term. The credit agreement borrowing limit was $1 billion at December 31, 1999, resulting in short-term classification for $242.3 million of commercial paper with an interest rate of 6.0% at that date.

The aggregate maturities on long-term debt are $424 million, $4 million, $204 million, $200 million and $300 million, respectively, for each of the years ending December 31, 2001 through 2005. These maturities do not include future maturities of the ESOP debt guarantee or commercial paper. Maturities for 2001 include the $200 million 6.9% Notes discussed above.

5. Stock Option Plans

Under terms of the company's stock option plans, officers, certain other employees and nonemployee directors may be granted options to purchase the company's common stock at a price equal to the market price on the date the option is granted. Options generally vest over three years and have a maximum term of 10 years. At December 31, 2000, 1999 and 1998, a total of 70 million, 80 million and 88 million shares, respectively, were designated for future issuance of common stock under stock option plans.

Certain of the plans also provide for the granting of stock appreciation rights (SARs) in tandem with, or in lieu of, stock options. When SARs and options are issued in tandem, the exercise of an SAR cancels the related option and the exercise of an option cancels the related SAR. There were 8,000 and 4,000 SARs outstanding at December 31, 2000 and 1999, respectively.

The income tax benefit related to the exercise of employee stock options (reduction of current taxes payable) was $74.4 million, $48.5 million and $33.9 million for the years ended December 31, 2000, 1999 and 1998, respectively.

Presented below is a summary of stock option plans activity for the years shown:

	Options Outstanding	*Wtd. Avg. Exercise Price*	*Options Exercisable*	*Wtd. Avg. Exercise Price*
Balance, Dec. 31, 1997	51,443,952	$ 16.32	31,816,372	$13.84
Granted	10,087,810	29.91		
Exercised	(8,168,738)	12.35		
Cancelled	(279,382)	20.40		
Balance, Dec. 31, 1998	53,083,642	$ 19.49	33,424,410	$15.89
Granted	10,591,292	37.88		
Exercised	(7,016,416)	13.55		
Cancelled	(87,968)	26.60		
Balance, Dec. 31, 1999	56,570,550	$ 23.66	36,166,954	$18.69
Granted	**13,005,810**	**48.68**		
Exercised	**(10,153,146)**	**15.99**		
Cancelled	**(252,140)**	**32.32**		
Balance, Dec. 31, 2000	**59,171,074**	**$30.44**	**36,151,446**	**$22.53**

The following table provides additional information for options outstanding and exercisable at December 31, 2000:

Options Outstanding

Range of Prices	*Number*	*Wtd. Avg. Remaining Life*	*Wtd. Avg. Exercise Price*
$10-19	**10,448,026**	**4 yrs**	**$14.68**
20-29	**25,284,003**	**7 yrs**	**24.50**
30-39	**10,607,295**	**9 yrs**	**37.83**
40-49	**12,831,750**	**10 yrs**	**48.87**
$10-49	**59,171,074**	**7 yrs**	**$30.44**

Options Exercisable

Range of Prices	*Number*	*Wtd. Avg. Exercise Price*
$10-19	**10,448,026**	**$14.68**
20-29	**22,093,051**	**23.72**
30-39	**3,577,719**	**37.86**
40-49	**32,650**	**48.88**
$10-49	**36,151,446**	**$22.53**

The company's stock option plans provide for acceleration of exercisability of the options upon the occurrence of certain events relating to a change in control, merger, sale of assets or liquidation of the company.

Pro Forma Fair Value Disclosures

Had compensation expense for the company's stock options been recognized based on the fair value on the grant date under the methodology prescribed by FAS 123, the company's net income and diluted earnings per share for the three years ended December 31, would have been impacted as shown in the following table (in millions, except per share).

	2000	**1999**	**1998**
Reported net income.	**$1,551.6**	$1,402.2	$1,233.3
Pro forma net income	**1,508.8**	1,373.3	1,209.3
Reported diluted earnings per share	**1.69**	1.47	1.27
Pro forma diluted earnings per share	**1.64**	1.44	1.24

The fair value of options granted, which is hypothetically amortized to expense over the option vesting period in determining the pro forma impact noted above, has been estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions:

	2000	**1999**	**1998**
Expected life of option	**5 yrs.**	5 yrs.	5 yrs.
Risk-free interest rate	**5.7%**	6.2%	4.7%
Expected volatility of Anheuser-Busch stock	**22%**	18%	16%
Expected dividend yield on Anheuser-Busch stock . .	**1.4%**	1.6%	1.7%

The weighted average fair value of options granted during 2000, 1999 and 1998 determined using the Black-Scholes model is as follows (in millions, except per option):

	2000	**1999**	**1998**
Fair value of each option granted.	**$13.14**	$9.38	$5.86
Total number of options granted	**13.0**	10.6	10.1
Total fair value of all options granted	**$170.8**	$99.4	$59.2

For FAS 123 disclosure purposes, the weighted average fair value of stock options granted is required to be based on a theoretical option pricing model. In actuality, because the company's employee stock options are not traded on an exchange, employees can receive no value nor derive any benefit from holding stock options under these plans without an increase in the market price of Anheuser-Busch stock. Such an increase in stock price would benefit all stockholders commensurately.

6. Employee Stock Ownership Plans

In 1989, the company added Employee Stock Ownership Plans (ESOPs) to its existing Deferred Income Stock Purchase and Savings Plans (401(k) plans). Most regular employees are eligible for participation in the ESOPs. The ESOPs initially borrowed $500 million for a term of 15 years at an interest rate of 8.25% and used the proceeds to buy approximately 45.4 million shares of common stock from the company at market price. The ESOP debt is guaranteed by the company and the shares are being allocated to participants over the 15-year period as contributions are made to the plans. The ESOPs purchased an additional .4 million shares from the company using proceeds from the sale of spin-off-related Earthgrains shares in 1996. Of the 45.8 million total shares purchased, 36.8 million shares have been allocated to plan participants.

ESOP cash contributions and income or expense recorded during the calendar year are determined by several factors, including the market price of Anheuser-Busch common stock, number of shares allocated to participants, debt service, dividends on unallocated shares and the company's matching contribution. Over the 15-year life of the ESOPs, total expense recognized will equal total cash contributions made by the company for ESOP debt service.

ESOP income or expense is allocated to operating expense and interest expense based on the ratio of principal and interest payments on the debt. Total ESOP income or expense for the three years ended December 31, is presented below (in millions):

	2000	1999	1998
Operating (income)/expense	**$(1.2)**	$1.7	$ 7.4
Interest (income)/expense	**(.9)**	.9	4.5
Total ESOP (income)/expense	**$(2.1)**	$2.6	$11.9

ESOP cash contributions are made in March and September to correspond with debt service requirements. A summary of cash contributions and dividends on unallocated ESOP shares for the three years ended December 31, is presented below (in millions):

	2000	1999	1998
Cash contributions	**$ —**	$2.5	$14.2
Dividends	**$6.5**	$7.8	$ 8.9

7. Preferred and Common Stock

Common Stock Activity

Activity for the company's common stock for the three years ended December 31, is summarized below (in millions of shares):

	2000	1999	1998
Common Stock			
Beginning common stock	**1,432.2**	1,425.4	1,418.6
Shares issued under stock plans	**9.3**	6.8	6.8
Common stock	**1,441.5**	1,432.2	1,425.4
Treasury Stock			
Beginning treasury stock	**(510.0)**	(472.2)	(444.4)
Net treasury stock acquired	**(27.9)**	(37.8)	(27.8)
Cumulative treasury stock	**(537.9)**	(510.0)	(472.2)
Net Common Stock Outstanding	**903.6**	922.2	953.2

Stock Repurchase Programs

The Board of Directors has approved various resolutions authorizing the company to purchase shares of its common stock to return cash to shareholders and to meet the requirements of the company's various stock purchase and incentive plans. At December 31, 2000, approximately 85 million shares were available for repurchase under a February 2000 repurchase authorization of 100 million shares.

The company repurchased 28.2 million, 37.8 million and 27.8 million shares of common stock in 2000, 1999 and 1998 for $986.5 million, $1,349.2 million and $688.8 million, respectively.

Stockholder Rights Plan

The Board of Directors adopted a Stockholder Rights Plan in 1985, which was extended in 1994, that would permit shareholders to purchase common stock at prices substantially below market value under certain change-in-control scenarios.

Preferred Stock

At December 31, 2000 and 1999, 40,000,000 shares of $1.00 par value preferred stock were authorized and unissued.

8. Retirement Benefits

Pension Plans

The company has pension plans covering substantially all of its regular employees. Total pension expense for the three years ended December 31, is presented below (in millions):

	2000	1999	1998
Single-employer defined benefit plans	**$ 7.3**	$ 21.1	$ 3.3
Multi-employer plans	**15.5**	15.7	14.4
Defined contribution plans	**18.5**	18.3	18.2
Total pension expense	**$41.3**	$ 55.1	$35.9

Contributions to multi-employer plans in which the company and its subsidiaries participate are determined in accordance with the provisions of negotiated labor contracts and are based on employee hours or weeks worked. Expense recognized for multi-employer and defined contribution plans equals cash contributions for all years shown.

Net annual pension expense for single-employer defined benefit plans was comprised of the following for the three years ended December 31, (in millions):

	2000	1999	1998
Service cost (benefits earned during the year)	**$ 59.2**	$ 63.2	$ 53.4
Interest cost on projected benefit obligation	**125.6**	116.7	106.4
Assumed return on plan assets	**(185.2)**	(169.2)	(156.8)
Amortization of prior service cost, actuarial gains/losses and the excess of market value of plan assets over projected benefit obligation at January 1, 1986	**7.7**	10.4	.3
Net annual pension expense	**$ 7.3**	$ 21.1	$ 3.3

The key actuarial assumptions used in determining annual pension expense for single-employer defined benefit plans for the three years ended December 31, follow:

	2000	1999	1998
Discount rate	**7.5%**	7.0%	7.5%
Long-term rate of return on plan assets	**10.0%**	10.0%	10.0%
Weighted average rate of compensation increase	**4.75%**	4.75%	4.75%

The following table provides a reconciliation of the funded status of single-employer defined benefit plans to prepaid pension cost for the two years ended December 31, (in millions):

	2000	1999
Funded status — plan assets in excess of projected benefit obligation (PBO)	**$ 397.1**	$ 320.4
Unamortized excess of market value of plan assets over PBO at January 1, 1986, being amortized over 15 years	**—**	(12.7)
Unrecognized net actuarial (gain)	**(318.3)**	(258.8)
Unamortized prior service cost	**145.7**	155.8
Prepaid pension cost	**$ 224.5**	$ 204.7

The assumptions used in determining the funded status of the plans as of December 31, were as follows:

	2000	1999
Discount rate	**7.5%**	7.5%
Weighted average rate of compensation increase	**4.75%**	4.75%

The following tables summarize the changes in the projected benefit obligation and the fair market value of plan assets (consisting primarily of corporate equity securities and publicly traded bonds) for all company single-employer defined benefit pension plans for the two years ended December 31, (in millions):

	2000	1999
Projected benefit obligation, beginning of year	**$1,746.1**	$1,704.0
Service cost	**59.2**	63.2
Interest cost	**125.6**	116.7
Plan amendments	**10.5**	7.2
Actuarial loss/(gain)	**72.8**	(36.0)
Benefits paid	**(134.2)**	(109.0)
Projected benefit obligation, end of year	**$1,880.0**	$1,746.1

	2000	1999
Fair market value of plan assets, beginning of year	**$2,066.5**	$1,824.2
Actual return on plan assets	**317.4**	328.5
Employer contributions	**27.4**	22.8
Benefits paid	**(134.2)**	(109.0)
Fair market value of plan assets, end of year	**$2,277.1**	$2,066.5

Postretirement Health Care and Insurance Benefits

The company provides certain health care and life insurance benefits to eligible retired employees. Generally, participants must have 10 years of continuous service after reaching age 45 to become eligible for retiree health care benefits.

The following table sets forth the accumulated postretirement benefit obligation (APBO) and the total postretirement benefit liability for all company single-employer defined benefit health care and life insurance plans at December 31, (in millions). Postretirement benefit obligations are not prefunded and there are no assets associated with the plans.

	2000	1999
Accumulated postretirement benefit obligation (APBO)	**$400.0**	$369.9
Unrecognized prior service benefits	**64.6**	76.3
Unrecognized net actuarial gains	**53.6**	79.2
Total postretirement benefit liability	**$518.2**	$525.4

As of December 31, 2000 and 1999, $25.5 million and $19.0 million of these obligations were classified as current liabilities and $492.7 million and $506.4 million were classified as long-term liabilities, respectively.

Net periodic postretirement benefits expense for company single-employer defined benefit health care and life insurance plans was comprised of the following for each of the three years ended December 31, (in millions):

	2000	1999	1998
Service cost (benefits earned during the year)	**$ 16.8**	$ 16.8	$ 13.6
Interest cost on APBO	**27.7**	24.0	23.3
Amortization of prior service benefit	**(11.6)**	(11.6)	(11.7)
Amortization of actuarial (gains)	**(8.6)**	(13.0)	(8.9)
Net periodic postretirement benefits expense	**$ 24.3**	$ 16.2	$ 16.3

The following table summarizes the change in the APBO for the two years ended December 31, (in millions):

	2000	1999
APBO, beginning of year	**$369.9**	$348.1
Service cost	**16.8**	16.8
Interest cost	**27.7**	24.0
Actuarial loss	**17.0**	6.5
Benefits paid	**(31.4)**	(25.5)
APBO, end of year	**$400.0**	$369.9

The key actuarial assumptions used in determining the APBO for the three years ended December 31, follow:

	2000	1999	1998
Initial health care inflation rate	**9.1%**	9.6%	8.7%
Future health care inflation rate	**5.4%**	5.4%	6.0%
Discount rate	**8.0%**	8.0%	7.5%

The initial health care inflation rate is assumed to decline ratably to the future rate over a four-year period beginning in year nine, and then remain stable thereafter.

If the assumed health care cost trend rate changed by 1%, the APBO as of December 31, 2000 would change by 11%, with a corresponding change of 15% in net periodic postretirement benefits expense.

9. Earnings Per Share of Common Stock

Basic earnings per share are based on the weighted average number of shares of common stock outstanding during the year. Diluted earnings per share are based on the weighted average number of shares of common stock plus common stock equivalents outstanding during the year.

A reconciliation of weighted average shares outstanding between basic and diluted earnings per share for the three years ended December 31, follows (in millions of shares). There were no adjustments to income available to common shareholders for any year shown.

	2000	1999	1998
Basic weighted average shares outstanding	**906.1**	939.0	964.2
Stock option shares	**13.6**	14.7	10.8
Diluted weighted average shares outstanding	**919.7**	953.7	975.0

10. Income Taxes

The provision for income taxes consists of the following for the three years ended December 31, (in millions):

	2000	1999	1998
Current tax provision:			
Federal	**$698.1**	$615.9	$564.3
State	**102.0**	106.3	93.3
Foreign	**(.5)**	.4	12.2
	799.6	722.6	669.8
Deferred tax provision:			
Federal	**25.4**	32.3	31.6
State	**3.2**	4.7	2.9
Foreign	**.1**	3.3	—
	28.7	40.3	34.5
Total tax provision	**$828.3**	$762.9	$704.3

The deferred tax provision results from temporary differences in the recognition of income and expense for tax and financial reporting purposes. The primary differences relate to accelerated depreciation on fixed assets (tax effect of $14.4 million in 2000, $19.1 million in 1999 and $58.0 million in 1998).

At December 31, 2000 and 1999, the company had deferred tax liabilities of $1,946.0 million and $1,903.5 million, respectively, primarily related to accelerated depreciation on fixed assets of $1,711.9 billion and $1,688.9 million, respectively.

At December 31, 2000 and 1999, the company had deferred tax assets of $573.1 million and $558.8 million, respectively, primarily related to accrued postretirement benefits ($195.8 million and $198.5 million, respectively) and other accruals and temporary differences ($377.3 million and $360.3 million, respectively) which are not deductible for tax purposes until paid or utilized.

A reconciliation between the U.S. federal statutory tax rate and the effective tax rate for the three years ended December 31, is presented below:

	2000	1999	1998
Federal statutory tax rate	**35.0%**	35.0%	35.0%
State taxes, net of federal benefit	**3.2**	3.6	3.4
Impact of foreign operations	**.1**	.2	.1
Other items	**(.3)**	(.8)	(.5)
Effective tax rate	**38.0%**	38.0%	38.0%

11. Supplemental Information

Accounts payable include $104.2 million and $124.0 million, respectively, of outstanding checks at December 31, 2000 and 1999.

Supplemental cash flow information for the three years ended December 31, is presented below (in millions):

Cash paid during the year:	2000	1999	1998
Interest, net of interest capitalized	**$ 304.7**	$ 286.9	$ 263.3
Income taxes	**770.8**	706.2	644.3
Excise taxes	**2,042.9**	2,016.6	1,966.6
Changes in working capital:			
(Increase)/decrease in current assets:			
Accounts receivable	**$ 28.6**	$ (18.9)	$ 103.3
Inventories	**15.5**	(0.4)	(73.2)
Other current assets	**16.4**	(13.6)	(9.1)
Increase/(decrease) in current liabilities:			
Accounts payable	**8.2**	26.9	113.9
Accrued salaries, wages and benefits	**28.0**	15.2	36.6
Accrued taxes	**(36.8)**	(29.4)	9.7
Other current liabilities	**(32.4)**	14.4	55.0
Net (increase)/decrease in working capital	**$ 27.5**	$ (5.8)	$ 236.2

The components of plant and equipment, net, at December 31, are summarized below (in millions):

	2000	1999
Land	**$ 260.5**	$ 260.8
Buildings	**3,863.0**	3,684.7
Machinery and equipment	**10,386.2**	9,921.8
Construction in progress	**642.1**	512.3
	15,151.8	14,379.6
Accumulated depreciation	**(6,908.0)**	(6,415.0)
Total plant and equipment, net	**$ 8,243.8**	$ 7,964.6

The components of other assets at December 31, are summarized below (in millions):

	2000	1999
Investment properties	**$ 120.1**	$ 119.0
Goodwill	**413.9**	425.0
Deferred charges	**551.4**	518.7
Total other assets	**$1,085.4**	$1,062.7

12. Commitments and Contingencies

The company had commitments for capital expenditures of approximately $263 million at December 31, 2000. Obligations under capital and operating leases are not material.

The company and certain of its subsidiaries are involved in claims and legal proceedings in which monetary damages and other relief are sought. The company is vigorously contesting these claims. However, resolution of these claims is not expected to occur quickly, and their ultimate outcome cannot presently be predicted. It is the opinion of management that the ultimate resolution of all existing claims, legal proceedings and other contingencies, either individually or in the aggregate, will not materially affect the company's financial position, results of operations, or liquidity.

13. Quarterly Financial Data (unaudited)

	Net Sales	*Gross Profit*	*Net Income*	*Diluted Earnings Per Share*
Year ended Dec. 31, 2000				
1st Quarter	**$ 2,811.9**	**$1,032.2**	**$ 350.3**	**$ .38**
2nd Quarter	**3,265.5**	**1,291.6**	**477.7**	**.52**
3rd Quarter	**3,397.8**	**1,388.1**	**514.5**	**.56**
4th Quarter	**2,786.6**	**957.6**	**209.1**	**.23**
Annual	**$12,261.8**	**$4,669.5**	**$1,551.6**	**$ 1.69**

	Net Sales	*Gross Profit*	*Net Income*	*Diluted Earnings Per Share*
Year ended Dec. 31, 1999				
1st Quarter	$ 2,685.2	$ 973.1	$ 319.1	$ .33
2nd Quarter	3,080.7	1,216.2	431.0	.45
3rd Quarter	3,222.3	1,316.8	461.5	.49
4th Quarter	2,715.5	943.2	190.6	.20
Annual	$ 11,703.7	$ 4,449.3	$ 1,402.2	$ 1.47

14. Business Segments

The company categorizes its operations into five business segments: Domestic Beer, International Beer, Packaging, Entertainment and Other.

The Domestic Beer segment consists of the company's U.S. beer operations including vertically integrated rice, barley and hops operations.

The International Beer segment consists of the company's export sales and overseas beer production and marketing operations, which include company-owned operations, administration of contract and license brewing arrangements and equity investments. The company sells beer in more than 80 countries, with principal markets in Mexico, Canada, the United Kingdom, Ireland and China.

The Packaging segment is comprised of the company's aluminum beverage can and lid manufacturing, aluminum recycling, label printing, beer crown and closure liner making and glass manufacturing operations. Cans and lids are produced for both the company's domestic beer operations and U.S. soft drink industry customers.

The Entertainment segment consists of the company's SeaWorld, Busch Gardens and other adventure park operations. In February 2001, the company sold its SeaWorld Cleveland adventure park to Six Flags, Inc. for $110 million. The company did not sell or grant license to the SeaWorld name. The sale will be recorded in the first quarter 2001.

The Other segment is comprised of the company's real estate development, transportation and communications businesses.

Summarized on the following page is the company's business segment information for 2000, 1999 and 1998 (in millions). Intersegment sales are fully eliminated in consolidation. No single customer accounted for more than 10% of sales. Corporate expenses, including net interest expense, are not allocated to operating segments.

2000	Domestic Beer	Int'l Beer	Pkg.	Enter.	Other	Corp. & Elims (1)	Consol.
Income Statement Information:							
Gross sales	**$ 11,490.5**	**647.8**	**2,012.2**	**837.9**	**122.8**	**(814.6)**	**$ 14,296.6**
Net sales - external	**$ 9,559.5**	**544.0**	**1,223.8**	**837.9**	**96.6**	**—**	**$ 12,261.8**
Net sales - intersegment	**$ —**	**—**	**788.4**	**—**	**26.2**	**(814.6)**	**$ —**
Depreciation & amortization	**$ 555.0**	**19.7**	**87.9**	**94.3**	**5.6**	**41.0**	**$ 803.5**
Income before income taxes	**$ 2,490.3**	**33.2**	**87.8**	**114.5**	**15.5**	**(561.4)**	**$ 2,179.9**
Equity income, net of tax	**$ —**	**200.0**	**—**	**—**	**—**	**—**	**$ 200.0**
Net income	**$ 1,544.0**	**220.6**	**54.4**	**71.0**	**9.6**	**(348.0)**	**$ 1,551.6**
Balance Sheet Information:							
Total assets	**$ 7,474.3**	**2,492.3**	**869.2**	**1,387.3**	**206.1**	**655.3**	**$ 13,084.5**
Equity method investments	**$ —**	**1,949.3**	**—**	**—**	**—**	**—**	**$ 1,949.3**
Foreign-located fixed assets	**$ —**	**213.1**	**—**	**—**	**—**	**—**	**$ 213.1**
Capital expenditures	**$ 744.7**	**21.2**	**125.9**	**128.6**	**17.1**	**37.0**	**$ 1,074.5**

1999	Domestic Beer	Int'l Beer	Pkg.	Enter.	Other	Corp. & Elims (1)	Consol.
Income Statement Information:							
Gross sales	$ 10,966.8	763.3	1,941.9	750.5	120.2	(819.4)	$ 13,723.3
Net sales - external	$ 9,088.2	622.3	1,151.2	750.5	91.5	—	$ 11,703.7
Net sales - intersegment	$ —	—	790.7	—	28.7	(819.4)	$ —
Depreciation & amortization	$ 535.5	20.2	94.6	89.7	6.1	30.9	$ 777.0
Income before income taxes	$ 2,268.8	(19.5)	149.8	111.9	12.4	(515.8)	$ 2,007.6
Equity income, net of tax	$ —	157.5	—	—	—	—	$ 157.5
Net income	$ 1,406.7	145.4	92.9	69.4	7.7	(319.9)	$ 1,402.2
Balance Sheet Information:							
Total assets	$ 7,183.9	2,439.6	843.6	1,360.4	197.0	615.9	$ 12,640.4
Equity method investments	$ —	1,787.9	—	—	—	—	$ 1,787.9
Foreign-located fixed assets	$ —	221.4	—	—	—	—	$ 221.4
Capital expenditures	$ 563.2	45.3	49.7	162.6	13.5	31.0	$ 865.3

1998	Domestic Beer	Int'l Beer	Pkg.	Enter.	Other	Corp. & Elims (1)	Consol.
Income Statement Information:							
Gross sales	$ 10,391.6	809.1	1,842.0	760.8	147.0	(742.6)	$ 13,207.9
Net sales - external	$ 8,569.9	668.7	1,127.4	760.8	119.0	—	$ 11,245.8
Net sales - intersegment	$ —	—	714.6	—	28.0	(742.6)	$ —
Depreciation & amortization	$ 498.9	14.6	102.6	90.3	6.1	25.9	$ 738.4
Income before income taxes	$ 2,018.0	10.1	148.2	116.6	9.9	(450.2)	$ 1,852.6
Equity income, net of tax	$ —	85.0	—	—	—	—	$ 85.0
Net income	$ 1,251.2	91.3	91.9	72.3	6.1	(279.5)	$ 1,233.3
Balance Sheet Information:							
Total assets	$ 7,078.5	2,340.9	874.1	1,283.1	211.0	696.7	$ 12,484.3
Equity method investments	$ —	1,662.6	—	—	—	—	$ 1,662.6
Foreign-located fixed assets	$ —	202.1	—	—	—	—	$ 202.1
Capital expenditures	$ 514.1	82.9	81.4	97.2	9.9	32.0	$ 817.5

Note 1: Corporate assets principally include cash, marketable securities, deferred charges and certain fixed assets. Eliminations impact only gross and intersegment sales.

FINANCIAL SUMMARY—OPERATIONS

Anheuser-Busch Companies and Subsidiaries

(In millions, except per share data)	**2000**	1999	1998
Barrels of A-B beer brands sold worldwide	**105.6**	102.9	99.8
Gross sales	**$14,296.6**	$13,723.3	$13,207.9
Excise taxes	**(2,034.8)**	(2,019.6)	(1,962.1)
Net sales	**12,261.8**	11,703.7	11,245.8
Cost of products and services	**(7,592.3)**	(7,254.4)	(7,162.5)
Gross profit	**4,669.5**	4,449.3	4,083.3
Marketing, distribution and administrative expenses	**(2,174.8)**	(2,147.0)	(1,958.0)
Gain on sale of St. Louis Cardinals	**—**	—	—
Shutdown of Tampa brewery	**—**	—	—
Restructuring charge	**—**	—	—
Operating income	**2,494.7**	2,302.3	2,125.3
Interest expense	**(348.2)**	(307.8)	(291.5)
Interest capitalized	**33.3**	18.2	26.0
Interest income	**1.1**	4.3	5.8
Other income/(expense), net	**(1.0)**	(9.4)	(13.0)
Income before income taxes	**2,179.9**	2,007.6	1,852.6
Provision for income taxes (current and deferred)	**(828.3)**	(762.9)	(704.3)
Revaluation of deferred tax liability under FAS 109	**—**	—	—
Equity income, net of tax	**200.0**	157.5	85.0
Income from continuing operations	**1,551.6**	1,402.2	1,233.3
Income/(loss) from discontinued operations	**—**	—	—
Income before accounting changes	**1,551.6**	1,402.2	1,233.3
Cumulative effect of accounting changes	**—**	—	—
Net income	**$ 1,551.6**	$ 1,402.2	$ 1,233.3
Basic Earnings Per Share:			
Income from continuing operations	**$ 1.71**	$ 1.49	$ 1.28
Income/(loss) from discontinued operations	**—**	—	—
Income before accounting changes	**1.71**	1.49	1.28
Cumulative effect of accounting changes	**—**	—	—
Net income	**$ 1.71**	$ 1.49	$ 1.28
Diluted Earnings Per Share:			
Income from continuing operations	**$ 1.69**	$ 1.47	$ 1.27
Income/(loss) from discontinued operations	**—**	—	—
Income before accounting changes	**1.69**	1.47	1.27
Cumulative effect of accounting changes	**—**	—	—
Net income	**$ 1.69**	$ 1.47	$ 1.27
Cash dividends paid on common stock	**$ 571.0**	$ 544.7	$ 521.0
Per share	**.63**	.58	.54
Weighted average number of common shares:			
Basic	**906.1**	939.0	964.2
Diluted	**919.7**	953.7	975.0

All share and per share information reflects the two-for-one stock splits effective September 18, 2000 and September 12, 1996 and the 1997 adoption of FAS 128, "Earnings per Share." All information has been restated to recognize the 1995 divestiture of the Food Products segment.

Note 1: 1997 change in accounting for deferred systems reengineering costs, net of tax benefit of $6.2 million. 1992 change in accounting for income taxes and other postretirement benefits, net of tax benefit of $186.4 million.

Note 2: 1996 results include the impact of the gain on the sale of the St. Louis Cardinals. Excluding the Cardinals gain, operating income, pretax income, income from continuing operations and diluted earnings per share would have been $2,029.1 million, $1,838.2 million, $1,122.7 million and $1.10, respectively.

1997	1996	1995	1994	1993	1992	1991	1990
96.6	95.1	90.9	91.3	89.7	88.9	87.9	88.1
$12,832.4	$12,621.5	$12,004.5	$11,705.0	$11,147.3	$11,008.6	$10,631.9	$9,716.1
(1,766.2)	(1,737.8)	(1,664.0)	(1,679.7)	(1,679.8)	(1,668.6)	(1,637.9)	(868.1)
11,066.2	10,883.7	10,340.5	10,025.3	9,467.5	9,340.0	8,994.0	8,848.0
(7,096.9)	(6,964.6)	(6,791.0)	(6,492.1)	(6,167.6)	(6,051.8)	(5,953.5)	(5,963.4)
3,969.3	3,919.1	3,549.5	3,533.2	3,299.9	3,288.2	3,040.5	2,884.6
(1,916.3)	(1,890.0)	(1,756.6)	(1,679.9)	(1,612.1)	(1,583.7)	(1,409.5)	(1,364.9)
—	54.7	—	—	—	—	—	—
—	—	(160.0)	—	—	—	—	—
—	—	—	—	(401.3)	—	—	—
2,053.0	2,083.8 (2)	1,632.9 (3)	1,853.3	1,286.5 (4)	1,704.5	1,631.0	1,519.7
(261.2)	(232.8)	(225.9)	(219.3)	(205.1)	(194.6)	(234.0)	(277.2)
42.1	35.5	24.3	21.8	35.2	46.9	45.6	52.5
7.9	9.4	9.9	2.6	3.4	4.4	6.6	4.3
(9.3)	(3.0)	20.5	17.6	21.0	(2.5)	1.3	(16.5)
1,832.5	1,892.9 (2)	1,461.7 (3)	1,676.0	1,141.0 (4)	1,558.7	1,450.5	1,282.8
(703.6)	(736.8)	(575.1)	(661.5)	(452.6)	(594.6)	(549.6)	(481.4)
—	—	—	—	(31.2)	—	—	—
50.3	—	—	—	—	—	—	—
1,179.2	1,156.1 (2)	886.6 (3)	1,014.5	657.2 (4)	964.1	900.9	801.4
—	33.8	(244.3)	17.6	(62.7)	30.1	38.9	41.0
1,179.2	1,189.9	642.3	1,032.1	594.5	994.2	939.8	842.4
(10.0) (1)	—	—	—	—	(76.7) (1)	—	—
$ 1,169.2	$ 1,189.9	$ 642.3	$ 1,032.1	$ 594.5	$ 917.5	$ 939.8	$ 842.4
$ 1.19	$ 1.16	$ .86	$ .96	$ .60	$ .85	$ .79	$ .71
—	.03	(.23)	.02	(.05)	.02	.03	.03
1.19	1.19	.63	.98	.55	.87	.82	.74
(.01) (1)	—	—	—	—	(.06) (1)	—	—
$ 1.18	$ 1.19	$ .63	$ .98	$ .55	$ .81	$ .82	$ .74
$ 1.18	$ 1.14 (2)	$ .85 (3)	$ .95	$ .60 (4)	$ .84	$ .78	$ .70
—	.03	(.23)	.02	(.05)	.02	.03	.03
1.18	1.17	.62	.97	.55	.86	.81	.73
(.01) (1)	—	—	—	—	(.06) (1)	—	—
$ 1.17	$ 1.17	$ .62	$ .97	$ .55	$ .80	$ .81	$ .73
$ 492.6	$ 458.9	$ 429.5	$ 398.8	$ 370.0	$ 338.3	$ 301.1	$ 265.0
.50	.46	.42	.38	.34	.30	.26	.23
985.3	998.2	1,021.7	1,049.2	1,088.7	1,127.3	1,136.0	1,127.5
999.4	1,021.2	1,048.8	1,076.1	1,117.2	1,163.3	1,171.6	1,158.8

Note 3: 1995 results include the impact of the one-time pretax charge of $160 million for the closure of the Tampa brewery, and the $74.5 million pretax impact of the beer wholesaler inventory reduction. Excluding these nonrecurring special items, operating income, pretax income, income from continuing operations and diluted earnings per share would have been $1,867.4 million, $1,696.2 million, $1,032.3 million and $.99, respectively.

Note 4: 1993 results include the impact of two nonrecurring special charges. These charges are (1) a restructuring charge ($401.3 million, pretax) and (2) a revaluation of the deferred tax liability due to the 1% increase in federal tax rates ($31.2 million, after-tax). Excluding these nonrecurring special charges, operating income, pretax income, income from continuing operations and diluted earnings per share would have been $1,687.8 million, $1,542.3 million, $935.2 million and $.84, respectively.

FINANCIAL SUMMARY—BALANCE SHEET AND OTHER INFORMATION

Anheuser-Busch Companies and Subsidiaries

(In millions, except per share and statistical data)	2000	1999	1998
Balance Sheet Information:			
Working capital (deficit)	**$ (127.8)**	$ (350.4)	$ (89.9)
Current ratio	**0.9**	0.8	0.9
Debt	**5,374.5**	5,122.9	4,718.6
Shareholders equity	**4,128.9**	3,921.5	4,216.0
Return on shareholders equity	**38.5%**	34.5%	29.9%
Debt to total capitalization ratio	**56.6%**	56.6%	52.8%
Book value per share	**4.57**	4.25	4.42
Total assets	**13,084.5**	12,640.4	12,484.3
Other Information:			
Capital expenditures	**$ 1,074.5**	$ 865.3	$ 817.5
Price/earnings ratio	**26.9**	24.1	25.9
Market price range of common stock (high and low closing)	**49.81-27.47**	40.81-32.59	34.13-21.72

All share and per share information reflects the two-for-one stock splits effective September 18, 2000 and September 12, 1996. All information has been restated to recognize the 1995 divestiture of the Food Products segment.

1997	1996	1995	1994	1993	1992	1991	1990
$ 83.2	$ 34.9	$ 268.6	$ 57.0	$ (41.3)	$ 247.8	$ 107.9	$ (62.8)
1.1	1.0	1.2	1.0	1.0	1.2	1.1	0.9
4,365.6	3,270.9	3,270.1	3,066.4	3,019.7	2,630.3	2,627.9	3,115.8
4,041.8	4,029.1	4,433.9	4,415.5	4,255.5	4,620.4	4,438.1	3,679.1
29.2% (1)	30.0% (2)	25.0% (3)	29.9%	18.8% (4)	27.6% (1)	30.2%	34.0%
51.9%	44.8%	47.1%	47.3%	47.3%	42.0%	43.9%	54.5%
4.15	4.05	3.61	3.32	3.35	3.25	2.95	2.30
11,727.1	10,463.6	10,590.9	10,547.4	10,267.7	9,954.9	9,642.5	9,274.2
$ 1,199.3	$ 1,084.6	$ 952.5	$ 662.8	$ 656.3	$ 628.8	$ 625.5	$ 805.3
18.6 (1)	17.6 (2)	19.6 (3)	13.1	22.6 (4)	16.9 (1)	18.9	14.6
23.94-19.75	21.44-16.25	17-12.69	13.81-11.75	15-11	15.13-13	15.38-9.88	11.25-8.56

Note 1: Ratios calculated based on income from continuing operations before the cumulative effect of accounting changes.

Note 2: Ratios calculated based on reported income from continuing operations, which includes the $54.7 million pretax gain on the sale of the St. Louis Cardinals. Excluding the Cardinals gain, return on shareholders equity would have been 29.2% and the price/earnings ratio would have been 18.1.

Note 3: Ratios calculated based on reported income from continuing operations. Excluding the two nonrecurring 1995 items ($160 million pretax charge for closure of the Tampa brewery and $74.5 million impact of the beer wholesaler inventory reduction), return on shareholders equity would have been 29.1% and the price/earnings ratio would have been 16.8.

Note 4: Ratios calculated based on reported income from continuing operations. Excluding the two nonrecurring 1993 charges ($401.3 million pretax restructuring charge and $31.2 million after-tax FAS 109 charge), return on shareholders equity would have been 26.7% and the price/earnings ratio would have been 13.8.

Anheuser-Busch Companies

World Headquarters
One Busch Place
St. Louis, MO 63118
314-577-2000

Annual Meeting
Wednesday, April 25, 2001, 10 a.m.
Orlando, FL

Transfer Agent, Registrar and Dividend Payments
Mellon Investor Services, L.L.C.
85 Challenger Rd., Overpeck Centre
Ridgefield Park, NJ 07660
888-213-0964
www.mellon-investor.com

Dividend Reinvestment Plan

The company's Dividend Reinvestment Plan allows shareholders to reinvest dividends in Anheuser-Busch Companies common stock automatically, regularly and conveniently — without service charges or brokerage fees. In addition, participating shareholders may supplement the amount invested with voluntary cash investments on the same cost-free basis. Plan participation is voluntary and shareholders may join or withdraw at any time. For more information, contact Mellon Investor Services (address above).

Stock Exchange Listings

New York	Paris
London	Swiss
Frankfurt	

Traded on These Exchanges

Boston	Pacific
Chicago	Philadelphia
Cincinnati	

Ticker Symbol: BUD
Newspaper Listing: AnheuserB

General Information by Phone (toll-free)
800-DIAL-BUD (800-342-5283)

Independent Accountants
PricewaterhouseCoopers LLP
800 Market Street
St. Louis, MO 63101

Trustee for Debentures and Notes
The Chase Manhattan Bank
450 West 33rd St.
New York, NY 10001
800-275-2048

Trustee for Industrial Revenue Bonds
BNY Trust Company of Missouri
911 Washington Ave.
Lammert Building, Suite 300
St. Louis, MO 63101
800-208-2197

Dividends

Dividends are normally paid in the months of March, June, September and December. Dividends may be electronically deposited into an account at the shareholder's financial institution. Please contact Mellon Investor Services for details.

Other Information

You may obtain, at no charge, a copy of the Anheuser-Busch Companies Annual Report to the Securities and Exchange Commission (Form 10-K) by writing to the Vice President and Secretary's office at our world headquarters, accessing the Internet at http://www.anheuser-busch.com, or by calling 800-DIAL-BUD.

For information about Anheuser-Busch's efforts to enhance shareholder value through community support, you may request a complimentary copy of our "Making Friends… Making a Difference" brochure by writing Corporate Communication at our world headquarters, by accessing the Internet at www.anheuser-busch.com, or by calling 800-DIAL-BUD.

Selected Anheuser-Busch Internet Addresses

www.anheuser-busch.com (corporate, financial and investor information)

www.budweiser.com (brand and sponsorship information; Budweiser merchandise)

www.budlight.com (brand and sponsorship information; Bud Light merchandise)

www.beeresponsible.com (Consumer Awareness and Education)

www.budweisertours.com (brewery tour information; the brewing process)

www.grantsfarm.com (Grant's Farm tour information)

www.buschgardens.com (Busch Gardens information)

www.seaworld.com (SeaWorld information)

www.discoverycove.com (Discovery Cove information)

Anheuser-Busch Companies Subsidiaries

Anheuser-Busch, Inc.
World's largest brewer and U.S. industry leader since 1957; produces approximately 30 beers and two nonalcohol brands at 12 U.S. breweries, and markets 180, a nonalcohol energy drink

Anheuser-Busch International, Inc.
Explores and develops beer markets outside the United States

Anheuser-Busch Recycling Corporation
Recycler of aluminum beverage containers

Busch Agricultural Resources, Inc.
Produces and enhances the quality of raw materials for Anheuser-Busch, Inc.

Busch Creative Services Corporation
A marketing, creative services and business communications company

Busch Entertainment Corporation
One of the largest U.S. theme park operators, with nine parks throughout the country

Busch Properties, Inc.
A real estate development company with resort, residential and commercial properties in selected areas of the country

Eagle Packaging, Inc.
Supplies Anheuser-Busch, Inc. domestic requirements for crown and closure liner material

Manufacturers Railway Company
Provides terminal rail-switching services to St. Louis industries and operates trucking subsidiaries

Metal Container Corporation
Produces cans and lids for Anheuser-Busch, Inc. and U.S. soft-drink companies, and lids to Grupo Modelo

Precision Printing and Packaging, Inc.
Produces metalized labels for Anheuser-Busch, Inc. and other customers

Wholesaler Equity Development Corporation
Shares equity positions with qualified partners in Anheuser-Busch, Inc. distributorships while they build toward total ownership

OFFICERS

Anheuser-Busch Companies, Inc.

Strategy Committee
*(*Member of the Corporate Office)*

August A. Busch III*
Chairman of the Board and President

Patrick T. Stokes*
Senior Executive Vice President

John H. Purnell*
Executive Vice President

W. Randolph Baker
Vice President and Chief Financial Officer

Stephen K. Lambright
Group Vice President and General Counsel

Aloys H. Litteken
Vice President—Corporate Engineering

Donald W. Kloth
Vice President and Group Executive

John E. Jacob
Executive Vice President and Chief Communications Officer

Gerhardt A. Kraemer
Senior Vice President—World Brewing and Technology

Thomas W. Santel
Vice President—Corporate Development

Stephen J. Burrows
Vice President—International Operations

Victor G. Abbey
Chairman of the Board and President—Busch Entertainment Corporation

August A. Busch IV
Vice President and Group Executive

Mark T. Bobak
Vice President—Corporate Human Resources

Joseph P. Sellinger
Vice President and Group Executive

Other Officers

Richard F. Keating
Vice President and Senior Government Affairs Officer

Joseph L. Goltzman
Vice President

Royce J. Estes
Vice President and Senior Deputy General Counsel

JoBeth G. Brown
Vice President and Secretary

Mark Boranyak
Vice President—State Affairs

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Vice President and Executive Assistant to the Chairman of the Board

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Vice President and Corporate Representative

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Vice President—International Development

Francine I. Katz
Vice President—Consumer Affairs

Eric M. Schmitz
Vice President—Corporate Labor Relations

John T. Farrell
Vice President—Employee Benefits

Stephen D. LeResche
Vice President—Public Communications

John F. Kelly
Vice President and Controller

William E. Hickman
Vice President and Chief Information Officer

Charles R. Koenig
Vice President—Corporate Purchasing

William J. Kimmins Jr.
Vice President and Treasurer

Lisa A. Joley
Vice President and Deputy General Counsel—Litigation

Johnny Furr Jr.
Vice President—Corporate Affairs

Jesus Rangel
Vice President—Corporate Relations

John D. Castagno
Tax Controller

Gary R. Aldenderfer
General Auditor

Laura H. Reeves
Assistant Secretary

David C. Sauerhoff
Assistant Treasurer

William J. Mayor
Assistant Controller

Principal Officers of Anheuser-Busch Companies Subsidiaries

Anheuser-Busch, Inc.
(†Member of the Anheuser-Busch, Inc. Management Committee)

August A. Busch III
Chairman of the Board

Patrick T. Stokes†
President and Chief Executive Officer

August A. Busch IV†
Vice President—Marketing and Wholesale Operations

James F. Hoffmeister†
Vice President—Administration

Gary R. Welker†
Vice President—Distribution Systems and Services

Anthony T. Ponturo†
Vice President—Corporate Media and Sports Marketing

Joseph P. Castellano†
Vice President—Wholesale Operations

Phillip J. Colombatto†
Vice President—Quality Assurance

Michael J. Brooks†
Vice President—Sales

Douglas J. Muhleman†
Vice President—Brewing

Robert C. Lachky†
Vice President—Brand Management

Marie C. Carroll†
Vice President—Finance and Planning

Michael J. Owens†
Vice President—Retail Marketing

Michael S. Harding†
Vice President—Operations

Joseph V. Corcoran
Vice President—National On-Premise Sales

Heinrich K. Heissinger
Vice President—Brewing Research and Technology

Joseph M. Hoff
Vice President—National Off-Premise Sales

William B. Jones
Vice President—Business Development

Salvatore J. LaMartina
Vice President—Revenue Management

Peter C. McLoughlin
Vice President—Corporate Media

William H. McNulty
Vice President—Wholesaler Development

Joseph F. Jedlicka III
Vice President and General Counsel

Principal Officers of Anheuser-Busch Companies Subsidiaries continued

Anheuser-Busch International, Inc.

Patrick T. Stokes
Chairman of the Board

Stephen J. Burrows
Chief Executive Officer and President

John S. Koykka
Executive Vice President—Strategic Planning and Business Development

John J. Hanichak III
Vice President—Sales and Marketing—Asia Pacific/Canada

Mark F. Schumm
Vice President—International Business Planning and Development

Larry D. Baumann
Vice President—Finance

Robert J. Gunthner
Vice President—Marketing Operations

Philip C. Davis
Vice President and Managing Director—Anheuser-Busch China

James E. Schobel
Senior Vice President—Legal Affairs

Alejandro Strauch
Vice President—Mexico

Andrew Day
Vice President and Managing Director—Europe

Martin D. Cargas
Vice President—Government Affairs

Wholesaler Equity Development Corporation

Joseph P. Castellano
Chairman of the Board and Chief Executive Officer

Kenneth W. Reiter
President

Busch Agricultural Resources, Inc.

Donald W. Kloth
Chairman of the Board and Chief Executive Officer

Melvern K. Anderson
President

Stephen D. Malin
Vice President—Operations

Thomas M. Wood
Vice President—Technical and International Operations

Thomas L. Tangaro
Vice President—Staff Operations

Anheuser-Busch Packaging Group

Joseph P. Sellinger
Chairman of the Board, President and Chief Executive Officer

Gary A. Bybee
Executive Vice President and Chief Financial Officer—Packaging Business Services

Lise A. Herren
Executive Vice President and Chief Operating Officer—Anheuser-Busch Recycling and Eagle Packaging

Steven R. Iverson
Director, Metals Planning

Metal Container Corporation

Joseph P. Sellinger
Chairman of the Board, President and Chief Executive Officer

James E. Engelhuber
Executive Vice President and Chief Operating Officer

Robert F. Wellise
Senior Vice President—Manufacturing and Technology

Allan T. Copestick
Vice President—Sales and Marketing

Jerome A. Riley
Vice President—Human Resources

Charles A. Rothofsky
Vice President—Lid Manufacturing and Technology

Mark V. Stafford
Vice President—Quality and Operations Engineering

Busch Entertainment Corporation

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Chairman of the Board and President

Bradley F. Andrews
Vice President—Zoological

William A. Davis
Vice President—Guest Services

Donald L. Eddings
Vice President—Merchandise

Andrew P. Fichthorn
Vice President—Planning and Development

Michael E. LaBroad
Vice President—Marketing

Joseph G. Peczi
Vice President—Entertainment

John J. Schaefer
Vice President—Finance and Information Technology

Kristine A. Schmidt
Vice President—Human Resources

David C. White
Vice President—Food Service

James R. Yust
Vice President—Engineering and Product Development

Busch Properties, Inc.

William L. Rammes
Chairman of the Board and President

Terri A. Haack
Executive Vice President and Managing Director—Kingsmill Resort

William B. Voliva
Executive Vice President—Kingsmill on the James

John C. Martz Jr.
Vice President—Corporate Real Estate

William F. Brown
Vice President—Busch Corporate Centers

William J. Nason
Vice President—Finance and Administration

Busch Creative Services Corporation

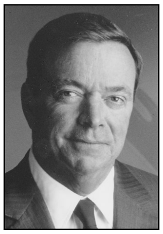
Karen L. Branding
Chairman of the Board, President and Chief Executive Officer

Manufacturers Railway Company; St. Louis Refrigerator Car Company

Edward R. Goedeke
Chairman, President and Chief Executive Officer

Barbara J. Houseworth
Treasurer and Controller

BOARD OF DIRECTORS



August A. Busch III

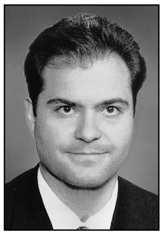
Chairman of the Board and President–Anheuser-Busch Companies

Joined board 1963

Bernard A. Edison

Former President–Edison Brothers Stores, Inc.; retail specialty stores

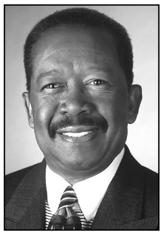
Joined board 1985



Carlos Fernandez G.

Vice Chairman of the Board and Chief Executive Officer–Grupo Modelo, S.A. de C.V.; a Mexican company engaged in brewing and related operations

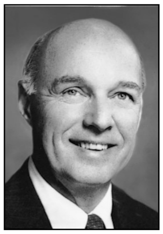
Joined board 1996



John E. Jacob

Executive Vice President and Chief Communications Officer–Anheuser-Busch Companies

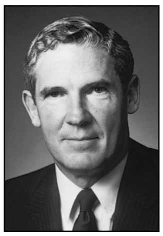
Joined board 1990



James R. Jones

Senior Counsel to Manatt, Phelps & Phillips Law Firm; Chairman–GlobeRanger.com

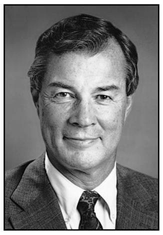
Joined board 1998



Charles F. Knight

Chairman of the Board–Emerson Electric Co.; a manufacturer of electrical and electronic equipment

Joined board 1987



Vernon R. Loucks Jr.

Chairman of the Board–InLight, Inc.; a developer of interactive multimedia patient education and health information systems

Joined board 1988

Vilma S. Martinez

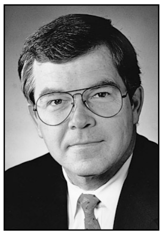
Partner–Munger, Tolles & Olson; attorneys

Joined board 1983

James B. Orthwein

Partner–Precise Capital, L.P.; a private investment partnership

Joined board 1963



William Porter Payne

Partner–Gleacher & Co., an investment banking and asset management firm

Joined board 1997

Joyce M. Roché

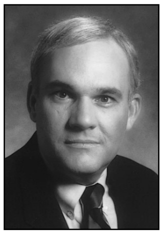
President and Chief Executive Officer of Girls Incorporated, a nonprofit organization

Joined board 1998

Patrick T. Stokes

Senior Executive Vice President–Anheuser-Busch Companies

Joined board 2000



Andrew C. Taylor

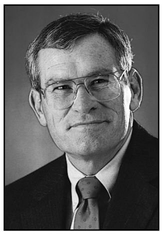
President and Chief Executive Officer–Enterprise Rent-A-Car Company; a national car rental company

Joined board 1995

Douglas A. Warner III

Chairman of the Board – J.P. Morgan Chase & Co.; an international commercial and investment banking firm

Joined board 1992

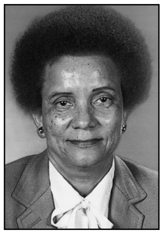


Edward E. Whitacre Jr.

Chairman and Chief Executive Officer–SBC Communications Inc.; a diversified telecommunications company

Joined board 1988

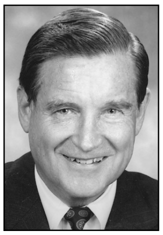
Advisory Members



Sybil C. Mobley

Dean of the School of Business and Industry –Florida A&M University

Joined board 1981



William H. Webster

Partner–Milbank, Tweed, Hadley & McCloy; attorneys

Joined board 1991

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